

LAW OFFICES  
ALAN RUDERMAN  
806 MACLELLAN BUILDING  
CHATTANOOGA, TENNESSEE 37402  
615 / 267-6980

Comment Letter
RM 87-5
No. 1

December 21, 1987

TRADEMARK AND  
COPYRIGHT CAUSES  
TWX 810 / 573-5217  
TELEX: 910-240-0249  
TELECOPIER (615) 265-0619

Office of the General Counsel  
Copyright Office  
Library of Congress  
Department 100  
Washington, D. C. 20559

Re: Request For Information, Eleventh  
Amendment

Dear Madam:

This is in response to the invitation for comments concerning enforcement of copyrights against state governments made in the November 2nd issue of the Federal Register (52 Fed. Reg. 42045).

We represent a small business which produces educational material used for training personel in the use and maintenance of industrial and technical equipment. This material comprises audiovisual works and accompanying text together with the accompanying text. A substantial undertaking of time, effort and expense in writing the scripts and text, including the technical material, checking the material for technical accuracy, obtaining narrators, filming crew, industrial and technical equipment and the the filming of the various techniques and procedures for properly performing the various tasks.

Our client markets its products to industrial and educational institutions in the U.S. and abroad. Some of the institutions in the U.S. are state and federal governmental agencies.

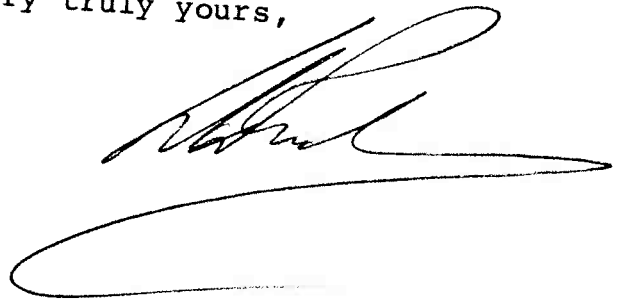
Last year a practical problem arose in regard to a training program in video format which was provided to prison officials in Texas for the purpose of soliciting sale. The officials subsequently advised our client that they normally make copies of such tapes, that they were permitted by law to do so, and returned the original without a purchase or any payment. Although the prison was a federal prison and our client did not litigate the matter, it has expressed concern that similar experiences could result in state institutions. Additionally, it is concerned that when

Office of the General Counsel  
December 21, 1987  
Page Two

selling a program to a state institution, such as a community college, the institution would make and distribute copies to other related state institutions and the client would have no recourse because of the results of recent decisions interpreting the Eleventh Amendment to immune states from copyright liability. Such a result would enter into any decision as to whether the client would prepare programs for sale to such institutions. If a decision is made not to do so, not only would the client lose, but so would the state institutions.

We would hope that these comments are useful for the study the Copyright Office has been requested to make. As requested, ten (10) copies of these comments are enclosed.

Very truly yours,

A handwritten signature in dark ink, consisting of a series of loops and a long horizontal stroke at the bottom.

AR/hjf

4103 Rockdale Avenue  
Nashville, TN 37204  
January 4, 1988

Comment Letter

RM 87-5

No. 2

GENERAL COUNSEL  
OF THE

JAN 21 1988

RECEIVED

Office of the General Counsel  
Copyright Office  
Library of Congress  
Department 100  
Washington, D.C. 20059

Dear Sirs:

I noted in the Federal Register, 52 Fed. Reg. 42045, the Copyright Office's Request for Information in connection with your study and report on the issues of state immunity from suit for money damages in copyright infringement suits. In response to this request for public comment, I am enclosing ten copies of my recent law review article, Copyright Infringement and the Eleventh Amendment: A Doctrine of Unfair Use?, 40 Vand. L. Rev 225 (1987). I hope that my discussion of the legal interpretation of Eleventh Amendment immunity in copyright infringement cases will be of interest and assistance to you.

Sincerely,

*John C. Beiter*

John C. Beiter

GENERAL COUNSEL  
OF COPYRIGHT

JAN 21 1988

RECEIVED

Comment Letter

RM 87-5

No. 2



REPRINTED FROM THE

# VANDERBILT LAW REVIEW



COPYRIGHT INFRINGEMENT AND THE ELEVENTH  
AMENDMENT: A DOCTRINE OF  
UNFAIR USE? .....

*John C. Beiter*

© VANDERBILT UNIVERSITY SCHOOL OF LAW



# RECENT DEVELOPMENT

## Copyright Infringement and the Eleventh Amendment: A Doctrine of Unfair Use?

I.	INTRODUCTION .....	226
II.	LEGAL BACKGROUND .....	231
	A. <i>State Immunity Under the Eleventh Amend- ment</i> .....	231
	1. Early Developments .....	231
	2. <i>Parden v. Terminal Railway</i> and Prog- eny—Implied Waiver of Eleventh Amend- ment Immunity .....	233
	3. <i>Fitzpatrick v. Bitzer</i> and Later Cases—Congressional Abrogation of Elev- enth Amendment Immunity .....	237
	B. <i>Copyright Protection and the Eleventh Amendment—The Circuit Court Split</i> .....	242
	1. <i>Wihtol v. Crow</i> .....	243
	2. <i>Mills Music, Inc. v. Arizona</i> .....	244
III.	RECENT DEVELOPMENTS .....	246
	A. <i>Mihalek Corp. v. Michigan</i> .....	246
	B. <i>Johnson v. University of Virginia</i> .....	247
	C. <i>Woelffer v. Happy States of America, Inc.</i> .....	249
	D. <i>Cardinal Industries, Inc. v. Anderson Parrish Associates, Inc.</i> .....	251
	E. <i>Richard Anderson Photography v. Radford University</i> .....	253
IV.	ANALYSIS .....	256
	A. <i>Congressional Power to Abrogate Common Law Sovereign Immunity</i> .....	257

B. Congressional Intent .....	258
C. Implied Waiver .....	262
D. Unilateral Congressional Abrogation of Eleventh Amendment Protection .....	264
E. A Proposed Solution .....	266
V. CONCLUSION .....	269

## I. INTRODUCTION

The federal courts recently have renewed the debate concerning whether a person can sue a state government or its instrumentalities for copyright infringement. The question presents a clash of fundamental constitutional principles between the copyright and patent clause,<sup>1</sup> whose purpose is to promote the free flow of ideas by rewarding creativity,<sup>2</sup> and the eleventh amendment,<sup>3</sup> whose primary purpose is to protect the federal form of government by insulating states from suit in federal court.<sup>4</sup> The Copyright Act of 1976 (the 1976 Act)<sup>5</sup> and its predecessor, the Copy-

1. The copyright and patent clause provides: "The Congress shall have Power . . . [t]o promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries." U.S. CONST. art. I, § 8, cl. 8.

2. See, e.g., *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 546 (1985) (recognizing that "[t]he monopoly created by copyright . . . rewards the individual author in order to benefit the public") (quoting *Sony Corp. v. Universal City Studios, Inc.*, 464 U.S. 417, 429 (1984) (Blackmun, J., dissenting)).

3. The eleventh amendment provides: "The Judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by Citizens of another State, or by Citizens or Subjects of any Foreign State." U.S. CONST. amend. XI.

4. See, e.g., *Atascadero State Hosp. v. Scanlon*, 105 S. Ct. 3142, 3145-46 & n.2 (1985) (noting that "the Eleventh Amendment implicates the fundamental constitutional balance between the Federal Government and the States"); Note, *Pennhurst State School & Hospital v. Halderman: Federal Equity Jurisdiction Restricted by Eleventh Amendment Immunity*, 16 LOY. U. CHI. L.J. 149, 158-60 (1984) (asserting that the states, in ratifying the eleventh amendment, guaranteed federalism by "prevent[ing] the federal government, through its courts, from interfering in state governmental functions"). But see *Atascadero*, 105 S. Ct. at 3150-78 (Brennan, J., dissenting) (holding eleventh amendment doctrine not based on principles fundamental to federalism); Gibbons, *The Eleventh Amendment and State Sovereign Immunity: A Reinterpretation*, 83 COLUM. L. REV. 1889, 1894 (1983) (arguing that the eleventh amendment is merely a "narrow and technical redefinition of the two jurisdictional clauses of article III . . . . The amendment did nothing more than amend article III, section 2 of the Constitution to eliminate the power of federal courts to hear suits against states in which the sole basis for jurisdiction" was the presence of a diverse party); Fletcher, *A Historical Interpretation of the Eleventh Amendment: A Narrow Construction of an Affirmative Grant of Jurisdiction Rather Than a Prohibition Against Jurisdiction*, 35 STAN. L. REV. 1033 (1983). See generally Baker, *Federalism and the Eleventh Amendment*, 48 U. COLO. L. REV. 139 (1977).

5. 17 U.S.C. §§ 101-914 (1982 & Supp. III 1985).

right Act of 1909 (the 1909 Act),<sup>6</sup> grant copyright proprietors "exclusive" rights in their works.<sup>7</sup> While 28 U.S.C. § 1338(a) grants federal courts exclusive subject matter jurisdiction to entertain actions concerning copyright infringement,<sup>8</sup> the eleventh amendment generally prohibits suits in federal court against state governments.<sup>9</sup> Thus, absent a waiver or other abrogation of eleventh amendment immunity,<sup>10</sup> a proprietor's rights in a work apparently are not always exclusive; in effect, the owner is required to share his copyright if the infringer is a state government or its instrumentality.

The resolution of this question necessarily requires an examination of two constitutional issues. The first issue is the extent to which a state impliedly waives its eleventh amendment immunity from suit in federal court by engaging in a federally regulated activity.<sup>11</sup> The United States Supreme Court first enunciated the implied waiver doctrine in *Parden v. Terminal Railway*.<sup>12</sup> Federal courts traditionally have interpreted *Parden* to mean that Congress may condition a state's participation in certain federally regulated activities, such as the operation of an interstate railroad,<sup>13</sup> upon the state's waiver of immunity to potential private suits in federal court. In a copyright infringement suit, however, it is un-

---

6. Ch. 320, 35 Stat. 1075, revised by Copyright Act of 1976, 17 U.S.C. §§ 101-914 (1982 & Supp. III 1985). The 1909 Act continues to govern works created before passage of the 1976 Act. For purposes of this Recent Development, citations to 17 U.S.C. §§ 1-216 will refer to the 1909 Act, and citations to 17 U.S.C. §§ 101-914 will refer to the 1976 Act.

7. See 17 U.S.C. § 106 (1982 & Supp. III 1985); 17 U.S.C. § 1 (1976).

8. 28 U.S.C. § 1338(a) (1982) (stating that "[t]he district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents, . . . [or] copyrights . . . . Such jurisdiction shall be exclusive of the courts of the states").

9. U.S. CONST. amend. XI; see, e.g., *Pennhurst State School & Hosp. v. Halderman*, 465 U.S. 89, 100 (1984) (holding that "an unconsenting State is immune from suits brought in federal courts by her own citizens as well as by citizens of another state") (quoting *Employees v. Department of Pub. Health and Welfare*, 411 U.S. 279, 280 (1973)). A state agency may be adjudged an "alter ego" of the state and, thus, receive eleventh amendment immunity. See *King v. Caesar Rodney School Dist.*, 396 F. Supp. 423, 425 (D. Del. 1975).

10. A state may waive its eleventh amendment immunity either expressly, see *Clark v. Barnard*, 108 U.S. 436, 447-48 (1883) (express waiver by appearance in court), or by implication, see *Parden v. Terminal Ry.*, 377 U.S. 184 (1964) (implied waiver by participation in federally regulated activity). See generally Note, *Express Waiver of Eleventh Amendment Immunity*, 17 GA. L. REV. 513 (1983); Comment, *Implied Waiver of a State's Eleventh Amendment Immunity*, 1974 DUKE L.J. 925.

11. See generally Comment, *supra* note 10.

12. 377 U.S. 184 (1964); see *infra* notes 49-65 and accompanying text.

13. See *id.*; see also *Briggs v. Sagers*, 424 F.2d 130 (10th Cir.), cert. denied, 400 U.S. 829 (1970) (state operation of mental institution); *Chesapeake Bay Bridge & Tunnel Dist. v. Lauritzen*, 404 F.2d 1001 (4th Cir. 1968) (state operation of bridge).

clear whether the state's use of copyrighted material constitutes consent to suit in federal court. Thus, the question of whether the implied waiver doctrine articulated in *Parden* applies in a copyright infringement suit against a state remains unanswered.<sup>14</sup>

The second issue is the continued vitality of the eleventh amendment in light of recent Supreme Court and lower federal court decisions. In *Fitzpatrick v. Bitzer*<sup>15</sup> the Supreme Court discarded, for the first time, the requirement of state immunity waiver and held that in certain instances Congress has the power to unilaterally abrogate eleventh amendment protection.<sup>16</sup> While *Fitzpatrick* concerned a state's violation of a federal statute passed pursuant to section 5 of the fourteenth amendment,<sup>17</sup> later federal court decisions have implied this broad congressional power in other areas.<sup>18</sup> Two federal courts have extended the *Fitzpatrick* holding beyond the context of fourteenth amendment legislation to find that the copyright and patent clause empowers Congress to nullify the eleventh amendment in copyright infringement cases.<sup>19</sup> Under this interpretation, a private party could sue an allegedly infringing state in federal court without the state's express or implied consent. If adopted by the Supreme Court, this broad read-

14. See *infra* notes 281-92 and accompanying text.

The federal government has expressly consented to federal court suit for copyright infringement. Money damages are the sole remedy for violations by the federal government; injunctive relief is not available. 28 U.S.C. § 1498(b) (1982); see S. REP. NO. 1877, 86th Cong., 2d Sess. reprinted in 1960 U.S. CODE CONG. & ADMIN. NEWS 3444; H.R. REP. NO. 624, 86th Cong., 1st Sess. (1959). See generally W. PATRY, LATMAN'S THE COPYRIGHT LAW 270-71 (1986).

15. 427 U.S. 445 (1976).

16. *Id.* at 456; see *infra* notes 80-88 and accompanying text.

17. *Fitzpatrick*, 427 U.S. at 456. Section 1 of the fourteenth amendment provides: No state shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any state deprive any person of life, liberty, or property, without due process of law; nor deny any person within its jurisdiction the equal protection of the laws.

U.S. CONST. amend. XIV, § 1.

Section 5 of the fourteenth amendment further provides: "The Congress shall have power to enforce, by appropriate legislation, the provisions of this article." U.S. CONST. amend. XIV, § 5.

18. See, e.g., *County of Monroe v. Florida*, 678 F.2d 1124 (2d Cir. 1982), cert. denied, 459 U.S. 1104 (1983) (congressional extradition power); *Peel v. Florida Dep't of Transp.*, 600 F.2d 1070 (5th Cir. 1979) (congressional war powers); *Jennings v. Illinois Office of Educ.*, 589 F.2d 935 (7th Cir.), cert. denied, 441 U.S. 967 (1979) (congressional war powers); *Oneida Indian Nation v. New York*, 520 F. Supp. 1278 (N.D.N.Y. 1981) (congressional power to regulate commerce with Indian tribes); see also *infra* notes 95-109 and accompanying text.

19. See *Mills Music Inc. v. Arizona*, 591 F.2d 1278, 1285 (9th Cir. 1979); *Johnson v. University of Va.*, 606 F. Supp. 321 (W.D. Va. 1985); *infra* notes 133-48, 162-78 and accompanying text.

ing of Congress' power under the copyright and patent clause would not only establish the amenability of nonconsenting states to copyright infringement suits, but also would contract greatly the boundaries of eleventh amendment immunity.<sup>20</sup>

Copyright proprietors have a great economic stake in the resolution of this issue.<sup>21</sup> State institutions and their local instrumentalities are prodigious users of copyrighted works.<sup>22</sup> One obvious example is the use of copyrighted textbooks by state schools and universities. In addition, sound recordings, sheet music, textbooks, plays, photographs, computer software, and motion pictures play an integral role in the state's performance of its educational, health care, recreational, and law enforcement functions.<sup>23</sup> A textbook publisher would have little economic incentive to continue producing books if the publisher knew that a state could misappropriate the works by purchasing one copy for unlicensed reproduction. One commentator has suggested that this situation would cause purchases of copyrighted works to cease, resulting in a loss of revenue to creators.<sup>24</sup>

20. See Gibbons, *supra* note 4, at 2004. Without deciding the issue, the Supreme Court recently noted this broadening interpretation by lower courts of Congress' power to nullify a state's constitutional immunity from suit in federal court without the state's consent. See *County of Oneida v. Oneida Indian Nation*, 470 U.S. 226, 252 (1985).

21. Goldberg, *Copyright Law: Sovereign Immunity*, N.Y.L.J., Sept. 20, 1985, at 1, col. 1; see, e.g., *Wihtol v. Crow*, 309 F.2d 777, 778 (1962) (recognizing that the plaintiff "depends upon the income from the [infringed] song for his support").

22. Goldberg, *supra* note 21, at 1, col. 1.

23. *Id.* In certain circumstances, such as teaching, scholarship, or research, a state agency's use of portions of copyrighted works may be exempt from copyright restrictions under the "fair use" limitation on a proprietor's exclusive rights. See 17 U.S.C. § 107 (1982) ("Limitations on exclusive rights: Fair use"). In determining whether a state's use of a copyrighted work is exempt, courts should consider four factors: (1) the purpose and character of the use; (2) the nature of the work; (3) the substantiality of the portion used; and (4) the effect of the use on the work's value. *Id.* § 107(1)-(4). For a general discussion of the fair use doctrine, see Walker, *Fair Use: The Adjustable Tool for Maintaining Copyright Equilibrium*, 43 LA. L. REV. 735 (1983). See generally 17 U.S.C. §§ 107-18 (1982) (listing limitations on copyright owner's exclusive rights).

24. Goldberg, *supra* note 21, at 2, col. 4. As one party has argued: States and state agencies, including schools, colleges, and libraries, make vast use of copyrighted works. They buy countless textbooks, and works of science, biography, history, mathematics, fiction, poetry, philosophy, and other subjects. These state institutions also are a primary medium for the performance of copyrighted plays and musicals . . . . Only the threat of damages awards, and injunctive relief, against States has prevented widespread infringement of them. Motion on Appeal of the Authors League of Am., Inc. at 2-3, *Mihalek Corp. v. Michigan*, 595 F. Supp. 903 (E.D. Mich. 1984), *appeal docketed*, No. 85-1593 (6th Cir. July 23, 1985); see also Motion on Appeal of the National Music Publishers' Ass'n, Inc. at 3, *Mihalek*, No. 85-1593 (urging that "[t]he potential injury . . . cannot be understated . . . [S]tates could supply thousands of photocopied reproductions of copyrighted music to members of univer-

A related concern is the form of relief available against an infringing state. While the Supreme Court in *Ex parte Young*<sup>26</sup> held that a person could obtain injunctive relief against a state official to prohibit future unconstitutional actions,<sup>26</sup> the eleventh amendment generally protects a state from a damages award.<sup>27</sup> In the case of certain copyrighted works, such as popular songs that often have only a brief period of economic productivity, injunctive relief could come too late to vindicate completely the copyright proprietor's rights.<sup>28</sup> Thus, the issue of state immunity from copyright infringement suits not only has constitutional implications, but also has immediate economic significance to copyright proprietors.

This Recent Development examines the federal court decisions that concern alleged copyright infringement by a state or its instrumentalities. Part II discusses two areas of legal background: (1) the history of eleventh amendment immunity as developed by the Supreme Court; and (2) the federal court of appeals split on the subject of state immunity from copyright infringement suits. Part III examines five recent federal district court cases that analyze, with differing results, copyright owners' attempts to sue states in federal court for alleged infringement. Part IV discusses these infringement cases using the analytical frameworks employed by the Supreme Court in *Parden* and *Fitzpatrick*. Finally, Part V proposes a resolution to the apparent conflict between copyright protection and the states' eleventh amendment immunity. This proposal accommodates several competing interests: copyright owners'

---

sity bands, orchestras and glee clubs, who could perform this music without payment of any royalties to its composers and publishers and without fear of monetary sanction").

In addition, federal court immunity for states "could affect not only the rights of copyright owners, but also the rights of owners of other forms of intellectual property, including patents and trademarks, which are widely used by State governmental bodies." Motion on Appeal of the Intellectual Property Law Ass'n at 2, *Mihalek*, No. 85-1593.

25. 209 U.S. 123 (1908).

26. *Id.* at 155-56; see *infra* notes 45-46 and accompanying text.

27. See, e.g., *Edelman v. Jordan*, 415 U.S. 651, 668-71 (1974); see *infra* notes 74-79 and accompanying text.

28. *Goldberg*, *supra* note 21, at 2, col. 4. One party has argued:

[State immunity from federal court suit would relegate copyright owners] to the sole remedy of prospective injunctive relief against individual state officials—if they can be identified and sued before substantial damage is done. Totally unavailable as the deterrent intended by Congress to protect the value of copyrights would be the remedies of recovery of the infringer's profits in addition to the owner's damages, the alternative of statutory damages . . . as well as recovery of costs and attorney's fees in appropriate cases. 17 U.S.C. §§ 504 and 505.

Motion on Appeal of National Music Publishers' Ass'n, Inc. at 6, *Mihalek*, No. 85-1593 (emphasis in original).



interest in the protection of exclusive rights; states' interest in immunity from federal court suits; and society's interest in responsible government.<sup>29</sup>

## II. LEGAL BACKGROUND

### A. State Immunity Under the Eleventh Amendment

#### 1. Early Developments

The doctrine of sovereign immunity provides that a claimant cannot sue the sovereign without the sovereign's consent.<sup>30</sup> The doctrine arose under the common law of England<sup>31</sup> and quickly was adopted by the independent states of postrevolutionary America.<sup>32</sup> Thus, the states were immune from nonconsensual suits in their own courts.<sup>33</sup> Adoption of the United States Constitution, however, created confusion about the states' immunity from suits brought by private parties in the recently formed federal courts.<sup>34</sup> Specifically, article III, section 2 of the Constitution provides that "[t]he judicial Power shall extend . . . to Controversies . . . between a State and Citizens of another State."<sup>35</sup> A literal reading of this language presented the possibility that federal courts would have jurisdiction over suits between a private party from one state and another independent state.

Five years after ratification of the Constitution, the Supreme Court faced this issue in *Chisholm v. Georgia*.<sup>36</sup> In *Chisholm* two South Carolina creditors sued the State of Georgia in federal court for a Revolutionary War debt that the state allegedly owed. Interpreting article III literally, the Court held that the states were not immune from private suits in federal court by citizens of another

29. See Note, *supra* note 10, at 537. For a discussion of foreign sovereign immunity in the area of intellectual property, see generally Morris, *Sovereign Immunity: The Exception for Intellectual or Industrial Property*, 19 VAND. J. TRANSNAT'L L. 83 (1986).

30. See, e.g., *Hans v. Louisiana*, 134 U.S. 1, 13 (1890) (quoting THE FEDERALIST NO. 81 (A. Hamilton)); see also Note, *supra* note 4, at 151.

31. See generally Engdahl, *Immunity and Accountability for Positive Governmental Wrongs*, 44 U. COLO. L. REV. 1, 2-5 (1972); see also Note, *supra* note 10, at 517-18 (discussing evolution of sovereign immunity in societal hierarchy of feudal England).

32. See, e.g., *Employees v. Department of Pub. Health and Welfare*, 411 U.S. 279, 288 (1973) (Marshall, J., concurring); Note, *supra* note 10, at 518.

33. E.g., Wolcher, *Sovereign Immunity and the Supremacy Clause: Damages Against States in Their Own Courts for Constitutional Violations*, 69 CALIF. L. REV. 189, 195 (1981).

34. See, e.g., Note, *Deepening the Anomaly of Sovereign Immunity: Pennhurst State School & Hosp. v. Halderman*, 59 ST. JOHN'S L. REV. 141, 146-47 (1984).

35. U.S. CONST. art. III, § 2, cl. 1.

36. 2 U.S. (2 Dall.) 419 (1793).

state.<sup>37</sup>

The reaction of the states was "loud, angry, and unanimous."<sup>38</sup> Apparently fearing a flood of similar suits seeking repayment of war debts,<sup>39</sup> Congress and the states ratified the eleventh amendment in 1798.<sup>40</sup> While the amendment essentially adopts the states' common law sovereign immunity,<sup>41</sup> the scope of the amendment's immunity provision is limited to the federal courts.<sup>42</sup>

Over the next century and a half, the Supreme Court refined its interpretation of the eleventh amendment. In *Hans v. Louisiana*<sup>43</sup> the Court held that a state's constitutional immunity extends to federal court suits prosecuted by its own citizens.<sup>44</sup> Later, the Court restricted the amendment's purview in *Ex parte Young*,<sup>45</sup> a case in which the Court held that a state official acting under color of state law could be sued in federal court for constitu-

37. *Id.* at 465-66.

38. Comment, *supra* note 10, at 926-27 n.6; see *Edelman v. Jordan*, 415 U.S. 651, 662 (1974) (stating that "[t]he decision in [*Chisholm*] literally shocked the Nation. Sentiment for passage of a constitutional amendment to override the decision rapidly gained momentum").

39. Comment, *supra* note 10, at 926-27 n.6.

40. See, e.g., *Employees*, 411 U.S. at 280.

41. U.S. CONST. amend. XI. *Contra Employees*, 411 U.S. at 290-94 (Marshall, J., concurring) (stating that the eleventh amendment is merely an interpretation of article III); *id.* at 315-22 (Brennan, J., dissenting) (stating that the eleventh amendment merely withdraws a portion of diversity jurisdiction from the federal courts). For the text of the amendment, see *supra* note 3.

42. U.S. CONST. amend. XI; see *Fitzpatrick v. Bitzer*, 427 U.S. 445, 456 (1976); Note, *supra* note 10, at 515-16.

Despite the eleventh amendment's roots in common law sovereign immunity, the distinction between the two doctrines remains critical. While the eleventh amendment generally prohibits suits against states in federal court, the doctrine of sovereign immunity prohibits states from being "sued in [their] own courts without [their] consent, regardless of the nature of the claim." Wolcher, *supra* note 33, at 195; see also Note, *supra* note 10, at 519-20; Comment, *supra* note 10, at 947-49, 955. See generally THE FEDERALIST No. 81, at 416 (A. Hamilton) (J. Cooke ed. 1961) (declaring that "[i]t is inherent in the nature of sovereignty not to be amenable to the suit of an individual without its consent") (emphasis in original).

43. 134 U.S. 1 (1890).

44. *Id.* at 21. In *Hans* the plaintiff argued that the eleventh amendment should be read literally to allow suit in federal court against a state by its own citizens. The Court called this "an attempt to strain the Constitution and the law to a construction never imagined or dreamed of." *Id.* at 15.

45. 209 U.S. 123 (1908). *Young* concerned state railroad rate and tariff restrictions that were allegedly confiscatory and, therefore, in violation of the due process clause of the fourteenth amendment. *Id.* at 127-29. In *Young* the plaintiff sought injunctive relief against the Attorney General of Minnesota to prevent the enforcement of an allegedly unconstitutional state statute. *Id.*

tional violations.<sup>46</sup> Despite these modifications, the law remained clear that a state was not amenable to private suit in federal court unless it expressly consented. For example, in *Murray v. Wilson Distilling Co.*<sup>47</sup> the Court held that only express language or an overwhelming implication from the wording of a state statute or constitution would suffice to show a waiver of immunity.<sup>48</sup>

## 2. *Parden v. Terminal Railway and Progeny*—Implied Waiver of Eleventh Amendment Immunity

*Parden v. Terminal Railway*<sup>49</sup> represents an important departure from the Supreme Court's historical analysis of eleventh amendment immunity. For the first time, the Court found a waiver of constitutional immunity implied by a state's actions under a federal statute.<sup>50</sup> In *Parden* employees of a state owned railroad sued the State of Alabama in federal court under the Federal Employees' Liability Act (FELA).<sup>51</sup> The FELA specifically created a cause of action against employers for damages suffered from job-related personal injuries. The railroad employees claimed that the state was liable because, under the FELA, the railroad was a common carrier engaging in interstate commerce and, thus, was amenable to suit in federal court. The state moved to dismiss, arguing that the railway was a state agency<sup>52</sup> and that the state had not

46. *Id.* at 159-60. The Court adopted the legal fiction that a state official who acts pursuant to an unconstitutional state statute is "stripped of his official or representative character" and, thus, is not protected by the eleventh amendment. *Id.* at 159-60; see also *Kentucky v. Graham*, 105 S. Ct. 3099, 3107 n.18 (1985) (holding that "[i]n an injunctive or declaratory action grounded on federal law, the State's immunity can be overcome by naming state officials as defendants") (emphasis in original); *Papasan v. Allain*, 106 S. Ct. 2932, 2940 n.11 (1986) (holding that "[w]hen a state official is sued and held liable in his individual capacity . . . even damages may be awarded") (emphasis in original) (citing *Scheuer v. Rhodes*, 416 U.S. 232, 237-38 (1974)).

47. 213 U.S. 151 (1909).

48. *Id.* at 171. "A federal court may also rely on the decisional law of a state" or a state's "voluntary appearance in a proceeding already properly instituted" to demonstrate an express waiver of eleventh amendment immunity. Comment, *supra* note 10, at 929 n.17 (quoting *Interstate Constr. Co. v. Regents of the Univ. of Idaho*, 199 F. 509 (D. Idaho 1912) (decisional law) and *Gunter v. Atlantic Coast Line R.R.*, 200 U.S. 273, 284 (1906) (voluntary appearance)).

49. 377 U.S. 184 (1964).

50. *Id.* at 192-93.

51. 45 U.S.C. §§ 51-60 (1962).

52. *Parden*, 377 U.S. at 185. The railway consisted "of about 50 miles of railroad tracks in the area adjacent to the State Docks at Mobile . . . . It perform[ed] services for profit under statutory authority . . . . It conduct[ed] substantial operations in interstate commerce." *Id.*

waived its sovereign immunity.<sup>53</sup>

As part of its three-step analysis, the Court first discussed whether Congress, by creating a cause of action under the FELA, intended to subject the states to suit.<sup>54</sup> Reading the language of the statute literally, the Court determined that the phrase "every common carrier by railroad engaged in [interstate] commerce"<sup>55</sup> was broad enough to include state owned railroads as potential defendants. The Court reasoned that absent express language to the contrary, a statutory exception for sovereign immunity should not be presumed.<sup>56</sup> This exception, the Court concluded, would lead to the "pointless and frustrating result" of giving state employees a right without a remedy.<sup>57</sup> Thus, the Court concluded that Congress, by enacting the FELA, intended to subject the states to suits in federal court.

Next, the Court considered whether Congress had the power to subject a state to federal suit notwithstanding the eleventh amendment.<sup>58</sup> The Court determined that in granting Congress the power to regulate interstate commerce, the states had surrendered any part of their sovereign immunity that would impede that regulation.<sup>59</sup> Thus, in exercising its commerce power Congress could override the states' sovereign immunity and render the states amenable to suit under the FELA.<sup>60</sup>

Finally, the Court held that in view of this abrogation of sovereign immunity,<sup>61</sup> the state's subsequent operation of the railroad in interstate commerce implied that Alabama had consented to

---

53. *Id.*

54. *Id.* at 187. The Court stated that "[h]ere, for the first time in this Court, a State's claim of immunity against suit by an individual meets a suit brought upon a cause of action expressly created by Congress." *Id.*

55. 45 U.S.C. § 51 (1982). The FELA provides that "[e]very common carrier by railroad while engaging in commerce between any of the several States . . . shall be liable in damages to any person suffering injury while he is employed by such carrier in such commerce." *Id.* The statute further provides that "[u]nder this Chapter an action may be brought in a district court of the United States . . ." *Id.* § 56.

56. *Parden*, 377 U.S. at 190. The Court also looked to the legislative history of the FELA, which stated that the statute was "intended . . . to cover all commerce to which the regulative power of Congress extends." *Id.* at 187-88 n.5 (quoting H.R. REP. NO. 1386, 60th Cong., 1st Sess. 1 (1908)).

57. *Parden*, 377 U.S. at 190. "It would be . . . surprising to learn that the FELA does make the [railway] 'liable' to petitioners, but, unfortunately, provides no means by which that liability may be enforced." *Id.* at 197.

58. *Id.* at 190.

59. *Id.*; see Comment, *supra* note 10, at 929-30.

60. *Parden*, 377 U.S. at 191-92.

61. *Id.* at 192.

suit in federal court under the FELA.<sup>62</sup> Congress, the Court declared, conditioned the state's right to operate the railroad upon subjection to the commerce power and consent to suits in federal court.<sup>63</sup> The Court concluded that "when a State leaves the sphere that is exclusively its own and enters into activities subject to congressional regulation, it subjects itself to that regulation as fully as if it were a private person or corporation."<sup>64</sup> While the state argued that its constitution and decisional law did not evidence consent to suit in this case, the Court held that the implied waiver issue was a question of federal, not state, law.<sup>65</sup> Accordingly, the Court held that Congress could condition entry into a federally regulated activity upon a state's amenability to suit in federal court.

Later Supreme Court cases have limited the *Parden* implied waiver doctrine. In *Employees v. Department of Public Health and Welfare*<sup>66</sup> state health facility employees sued the State of Missouri for overtime pay and damages under the Fair Labor Standards Act of 1938 (FLSA).<sup>67</sup> Although the Court concluded that the class of potential defendants, defined in the FLSA as "any employer,"<sup>68</sup> includes states and their agencies,<sup>69</sup> the Court found no congressional intent to subject states to suit in federal court.<sup>70</sup> The Court reasoned that the FLSA authorized suit only in courts

---

62. *Id.* The Court stated, "Alabama, when it began operation of an interstate railroad approximately 20 years after enactment of the FELA, necessarily consented to such suit as was authorized by that Act." *Id.*

63. *Id.* The State of Alabama argued that because Congress could not directly remove the states' sovereign immunity, it would be unconstitutional for Congress to impose a condition of amenability to federal suit on the states' entry into interstate commerce. *Id.* at 193 n.11. The Court, however, distinguished *Parden* from the cases cited by the State of Alabama in its "unconstitutional condition" argument, noting that, unlike those cases, *Parden* involved a legitimate exercise of legislative power. *Id.*

64. *Id.* at 196. While not expressly mentioning the distinction between "proprietary" and "governmental" activities of the state, the Court, in dictum, noted that "[s]tates have entered . . . numerous forms of activity which, if carried on by a private person or corporation, would be subject to federal regulation." *Id.* at 196-97. The governmental-proprietary distinction implied by this language has since been abandoned by the Court. See *Garcia v. San Antonio Metropolitan Transit Auth.*, 469 U.S. 528, 537-47 (1985) (overruling *National League of Cities v. Usery*, 426 U.S. 833 (1976)).

65. *Parden*, 377 U.S. at 196.

66. 411 U.S. 279 (1973).

67. 52 Stat. 1069 (codified as amended at 29 U.S.C. §§ 201-19 (1982)).

68. 29 U.S.C. § 216(b) (1982).

69. *Employees*, 411 U.S. at 282-83. Although the FLSA originally had defined "employer" to exclude the states and their political subdivisions, Congress in 1966 expanded the statute to cover "employees of a State, or a political subdivision thereof, employed . . . in a hospital [or] institution." Fair Labor Standards Amendments of 1966, Pub. L. No. 89-601, § 102(b), 80 Stat. 830, 831 (codified as amended at 29 U.S.C. § 203(d) (1982)).

70. *Employees*, 411 U.S. at 285.

of competent jurisdiction; the eleventh amendment, however, rendered federal courts incompetent to deliver a judgment against nonconsenting states.<sup>71</sup> Thus, while reaffirming its *Parden* decision, which held that Congress has the power to subject arguably non-consenting states to suit in federal court, the *Employees* Court distinguished *Parden*, indicating that the "exercise of such power would not be presumed without clear evidence" of congressional intent.<sup>72</sup> Absent clear congressional intent, federal suit by the private parties in *Employees* was barred.<sup>73</sup>

The Supreme Court continued to limit the doctrine of implied waiver of eleventh amendment immunity in *Edelman v. Jordan*.<sup>74</sup> In *Edelman* Illinois state officials allegedly withheld benefits under Aid to the Aged, Blind, or Disabled (AABD),<sup>75</sup> a public aid program authorized under the Social Security Act and funded by the state and federal governments. The *Edelman* Court first noted that, unlike the statutes in *Parden* and *Employees*, the AABD had not created a private cause of action for aggrieved beneficiaries. Absent a statutory cause of action evidencing congressional intent, the Court held that the doctrine of implied waiver would not be available against a state. Furthermore, the Court held that a waiver of eleventh amendment immunity would be found only when a state indicated consent to a suit in federal court "by the most express language or by such overwhelming implications . . . as [will] leave no room for any other reasonable construction."<sup>76</sup> Reasoning that a state's mere operation of a federally assisted aid program was not a "clear declaration" of consent to federal court suit,<sup>77</sup> the Court concluded that Congress had not intended to ab-

---

71. *Id.* at 283-84; see 29 U.S.C. § 216(b) (1982).

72. L. TRIBE, AMERICAN CONSTITUTIONAL LAW § 3-36, at 135 (1978). The Court additionally noted that the FLSA allowed successful plaintiffs double recovery, *Employees*, 411 U.S. at 286, and stated that "we are reluctant to believe that Congress in pursuit of a harmonious federalism desired to treat the States so harshly," *Id.*

73. The Court's holding, however, did not leave the employees a right without a remedy. The Court noted that the FLSA authorized the Secretary of Labor to sue, on behalf of employees, states violating the statute. *Employees*, 411 U.S. at 285-86. In addition, the Court suggested that "[a]rguably, [the FLSA] permits suit in the [state] courts." *Id.* at 287.

74. 415 U.S. 651 (1974).

75. 42 U.S.C. §§ 1381-83 (1982 & Supp. I 1983). While the plaintiff-applicants sought only declaratory and injunctive relief, the federal district court, in addition to granting their request, ordered the State of Illinois to "release and remit AABD benefits wrongfully withheld to all applicants." *Edelman*, 415 U.S. at 656.

76. *Edelman*, 415 U.S. at 673 (quoting *Murray v. Wilson Distilling Co.*, 213 U.S. 151, 171 (1909)). The *Edelman* Court used the term "constructive," instead of implied, consent.

77. *Id.* The Court noted that "the mere fact that a State participates in a program through which the Federal Government provides assistance for the operation by the State of

rogate the state's constitutional immunity.<sup>78</sup> Under *Edelman*, therefore, without an express federal cause of action, a state will not be found to have impliedly waived its eleventh amendment immunity. The Court, however, held that while the eleventh amendment prohibits "retroactive" monetary relief against state officials, as ordered by the federal district court, the amendment does not preclude "prospective" relief in the form of an injunction against state officials to bar future unconstitutional conduct.<sup>79</sup>

### 3. *Fitzpatrick v. Bitzer* and Later Cases—Congressional Abrogation of Eleventh Amendment Immunity

Twelve years after *Parden* the Supreme Court again substantially reduced the states' eleventh amendment protection. In *Fitzpatrick v. Bitzer*<sup>80</sup> the Court ruled for the first time that state waiver is not always required to abrogate eleventh amendment immunity. In *Fitzpatrick* Connecticut state employees sued the state in federal court, claiming sexual discrimination in violation of Title VII of the Civil Rights Act of 1964 (Title VII),<sup>81</sup> which authorizes the award of damages and attorney's fees to private parties.<sup>82</sup> Because Title VII specifies governments, governmental agencies, and

---

a system of public aid is not sufficient to establish consent on the part of the State to be sued in the federal courts." *Id.*

78. *Id.* at 672-74.

79. *Id.* at 664-71. Thus, the Court limited the *Young* doctrine to private suits seeking injunctive, but not monetary, relief against state officials. See *supra* notes 45-46 and accompanying text. The Court reasoned that restitution would not come from the defendant-officials, but rather from state funds—a result prohibited by the eleventh amendment. *Id.* at 677 (citing *Ford Motor Co. v. Department of Treasury*, 323 U.S. 459 (1945)). The eleventh amendment generally continues to bar suit against a state or its agencies regardless of the type of relief sought. See, e.g., *Alabama v. Pugh*, 438 U.S. 781, 782 (1978) (per curiam). The *Edelman* Court, in dictum, stated that 42 U.S.C. § 1983 (1982), which authorizes suit against state officials for deprivation of civil rights, does not evince a congressional intent to abrogate a state's eleventh amendment immunity. Thus, under this reading even in a suit brought under § 1983, the claimant cannot seek retroactive relief against a state official if damages would be paid from public funds. *Edelman*, 415 U.S. at 674-77; see also *Quern v. Jordan*, 440 U.S. 332, 338 (1979); cf. *Monell v. Department of Social Servs.*, 436 U.S. 658 (1978) (holding that the class of potential § 1983 defendants includes municipalities); *Alabama v. Pugh*, 438 U.S. 781, 781-82 (1978) (per curiam). But see *Hutto v. Finney*, 437 U.S. at 678, 703 (1978) (Brennan, J. concurring) (stating that it is "surely at least an open question whether § 1983 . . . does not make the States liable for relief of all kinds, notwithstanding the Eleventh Amendment").

80. 427 U.S. 445 (1976).

81. 78 Stat. 253 (codified as amended at 42 U.S.C. §§ 2000e to 2000e-17 (1982)). Title VII provides that employers are liable for damages to employees subjected to discriminatory hiring practices based on race, color, or national origin. 42 U.S.C. § 2000e-2(a) (1982).

82. 42 U.S.C. § 2000e-5(g), (k) (1982).

political subdivisions as possible defendants,<sup>83</sup> the Court found that Congress clearly intended to authorize federal courts to award damages in private suits against the states.<sup>84</sup> Significantly, the Court did not examine whether the state had waived its eleventh amendment immunity.<sup>85</sup> Noting that Congress had passed Title VII under section 5 of the fourteenth amendment, the Court stated:

When Congress acts pursuant to § 5 [of the Fourteenth Amendment] it is exercising that authority under one section of a constitutional Amendment whose other sections by their own terms embody limitations on state authority. We think that Congress may, in determining what is "appropriate legislation" for the purpose of enforcing the provisions of the Fourteenth Amendment, provide for private suits against States or State officials which are constitutionally impermissible in other contexts.<sup>86</sup>

Thus, the Court effectively held that Congress could, if it clearly so intended, unilaterally nullify eleventh amendment immunity without a state's consent, express or implied.<sup>87</sup> While condoning the effective nullification of a constitutional amendment's protection by congressional compulsion, the Court restricted the application of its holding to legislation passed pursuant to the "limited authority" of the fourteenth amendment.<sup>88</sup>

In *Hutto v. Finney*,<sup>89</sup> which concerned a different statute passed under Congress' fourteenth amendment power, the Supreme Court reaffirmed and expanded its *Fitzpatrick* holding. In *Hutto* Arkansas prison inmates brought an action against state officials to correct unconstitutional conditions in the Arkansas prison system. A federal circuit court of appeals, in affirming the district court's remedial orders, assessed attorney's fees under the Civil Rights Attorney's Fees Awards Act of 1976 (Attorney's Fees Act)<sup>90</sup> to cover the cost of services on appeal. The Supreme Court held that a plaintiff could recover attorney's fees in a civil rights case against the state even though the Attorney's Fees Act did not ex-

---

83. The Equal Employment Opportunity Act of 1972, 86 Stat. 103, amended Title VII to include states and their governmental subdivisions. See 42 U.S.C. § 2000e-2(a) (1982).

84. *Fitzpatrick*, 427 U.S. at 448-49.

85. Note, *supra* note 10, at 524.

86. *Fitzpatrick*, 427 U.S. at 456.

87. See *Atascadero State Hosp. v. Scanlon*, 105 S. Ct. 3142, 3145 (1985).

88. *Fitzpatrick*, 427 U.S. at 455 (quoting *Ex parte Virginia*, 100 U.S. 339, 346-48 (1880)).

89. 437 U.S. 678 (1978).

90. *Id.* at 685; see 42 U.S.C. § 1988 (1982). The Attorney's Fees Act "declares that in suits under 42 U.S.C. § 1983 and certain other statutes, federal courts may award prevailing parties reasonable attorney's fees 'as part of the costs.'" *Hutto*, 437 U.S. at 693.



pressly include states in the defendant class.<sup>91</sup> The Court found that the legislative history of the statute clearly indicated Congress' intention to subject the states to suit under the Attorney's Fees Act.<sup>92</sup> In addition, the Court noted that the Attorney's Fees Act allowed the award of attorney's fees as "costs," which are not subject to eleventh amendment immunity.<sup>93</sup> The *Hutto* court, therefore, extended *Fitzpatrick* by finding clear evidence of congressional intent, not in the statute's language but in its legislative history, to nullify eleventh amendment immunity.<sup>94</sup>

Significantly, lower federal courts<sup>95</sup> have cited *Fitzpatrick* in various nonfourteenth amendment cases to find clear congressional intent to abrogate eleventh amendment immunity.<sup>96</sup> For example, in *Peel v. Florida Department of Transportation*<sup>97</sup> the United States Court of Appeals for the Fifth Circuit held that Congress, acting under its article I war power,<sup>98</sup> statutorily could nullify elev-

91. *Hutto*, 437 U.S. at 696-97.

92. *Id.* at 700; see S. REP. No. 1011, 94th Cong., 2d Sess. 5 (1976) (stating that "it is intended that attorney's fees . . . will be collected either . . . from funds of [the official's] agency . . . or from the state or local government"); H.R. REP. No. 1558, 94th Cong., 2d Sess. 7 (1976).

Citing *Fitzpatrick*, the Court reaffirmed that "Congress has plenary power to set aside the States' immunity from retroactive relief in order to enforce the Fourteenth Amendment. When it passed the [Attorney's Fees] Act, Congress undoubtedly intended . . . to authorize fee awards payable by the States when their officials are sued in their official capacities." *Hutto*, 437 U.S. at 693-94.

93. *Hutto*, 437 U.S. at 695.

94. However, the Court's willingness to find congressional intent to abrogate a state's constitutional immunity in a statute's legislative history may be limited to the facts of *Hutto*. In *Atascadero* the Court reiterated that the "statutory language" in question must express an "unmistakable intent" to support a finding of abrogation of eleventh amendment immunity pursuant to Congress' fourteenth amendment power. *Atascadero*, 105 S. Ct. at 3142, 3148; see *infra* notes 110-21 and accompanying text.

95. See *supra* note 18 and accompanying text.

96. See, e.g., *Oneida Indian Nation v. New York*, 520 F. Supp. 1278, 1308 (N.D.N.Y. 1981) (holding that "consent of the State is not required when Congress acts pursuant to its Article I powers").

97. 600 F.2d 1070 (5th Cir. 1979).

98. U.S. CONST. art. I, § 8 provides, in part:

The Congress shall have Power To . . . provide for the common Defense and general Welfare of the United States; . . .

. . . .  
To declare War, . . .

To raise and support Armies, . . .

To provide and maintain a Navy;

To make Rules for the Government and Regulation of the land and naval Forces;

. . . .  
To provide for organizing, arming, and disciplining the Militia, and for governing

enth amendment protection without the state's consent.<sup>99</sup> The court reasoned that, in theory, a state consents to private suit in federal court whenever Congress sufficiently shows an intent to nullify immunity.<sup>100</sup> The court concluded that "[t]his rationale removes the eleventh amendment as a bar whenever Congress validly has exercised its powers."<sup>101</sup> Thus, the court affirmed the district court order reinstating the employee and compensating him for lost wages and benefits.<sup>102</sup>

The dramatic expansion of the Supreme Court's *Fitzpatrick* holding<sup>103</sup> has been characterized by the *Peel* court as the "*sub silentio* merging of the separate state consent requirement into the single inquiry of whether Congress has statutorily waived the state's immunity."<sup>104</sup> In *County of Oneida v. Oneida Indian Nation*<sup>105</sup> the Supreme Court noted that the only argument offered to enforce the state's amenability to federal suit was that "the States necessarily consented to suit in federal court with respect to enactments under [the Commerce] Clause."<sup>106</sup> Thus, the counties argued that the state waived its immunity to suit in federal court merely

such Part of them as may be employed in the Service of the United States, . . .

To make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers . . .

U.S. CONST. art. I, § 8.

99. In *Peel* a Florida state employee, discharged because he was absent from work during National Guard training, sued the agency for which he had worked, seeking reemployment and lost wages and benefits. The plaintiff sued under the Veterans' Reemployment Rights Act, 38 U.S.C. §§ 2021-26 (1982), which was passed pursuant to the war powers of Congress and which authorized federal court suits to enforce reemployment rights. *Peel*, 600 F.2d at 1072-73.

100. *Peel*, 600 F.2d at 1080. "[N]othing in the history of the eleventh amendment . . . indicates that Congress, when acting under an article I, section 8 delegated power, lacks the authority to provide for federal court enforcement of private damage actions against the states." *Id.*

101. *Id.* The court stated that under this rationale the eleventh amendment remains effective merely as a "check on the judicial power to imply private damage remedies against the states" when congressional intent is not evidenced sufficiently. *Id.* at 1081.

102. *Id.* at 1073.

103. See, e.g., *County of Oneida v. Oneida Indian Nation*, 470 U.S. 226 (1985) (citing *County of Monroe v. Florida*, 678 F.2d 1124 (2d Cir. 1982), cert. denied, 459 U.S. 1104 (1983) and *Mills Music, Inc. v. Arizona*, 591 F.2d 1278 (9th Cir. 1979)).

104. *Peel*, 600 F.2d at 1080.

105. *County of Oneida*, 470 U.S. 226 (1985). In *County of Oneida* Indian tribes sued New York counties under the Nonintercourse Act of 1793 (codified as amended at 25 U.S.C. § 177 (1982)), which provided that no person or entity could buy Indian land without approval by the federal government. The counties, held liable for damages in connection with illegal land purchases, were granted indemnification from the State of New York by the federal district court. *County of Oneida*, 105 S. Ct. at 1249.

106. *County of Oneida*, 105 S. Ct. at 252.

by violating a statute passed pursuant to the commerce power of Congress.<sup>107</sup> Although in *Fitzpatrick* the Court limited its holding to fourteenth amendment enactments,<sup>108</sup> in *County of Oneida* the Court chose not to decide whether the lower courts' expanded readings had gone too far.<sup>109</sup>

The Supreme Court, however, recently clarified its position on eleventh amendment immunity in *Atascadero State Hospital v. Scanlon*.<sup>110</sup> In *Atascadero* the disabled respondent,<sup>111</sup> seeking damages for alleged employment discrimination, sued a state hospital in federal court under the Rehabilitation Act of 1973.<sup>112</sup> The Court held that the eleventh amendment barred recovery from the state<sup>113</sup> even though the statute, passed pursuant to section 5 of the fourteenth amendment, provided for remedies against "any recipient of Federal assistance,"<sup>114</sup> a class that arguably includes the state.<sup>115</sup> The Court ruled that a "general authorization for suit in federal court is not the kind of unequivocal statutory language sufficient to abrogate the Eleventh Amendment."<sup>116</sup> The Court noted that Congress must specifically include the states within the defendant class when intending to subject the states to suit in federal court.<sup>117</sup> The Court also held that the state's mere participation in a federally funded program under the statute did not demonstrate implicit consent to federal jurisdiction. Instead, the Court required "an unequivocal indication" that the state consented to federal jurisdiction.<sup>118</sup>

---

107. *Id.*

108. *See supra* text accompanying note 86.

109. "[The counties] contend [that] Congress can abrogate the States' Eleventh Amendment immunity and has done so by enacting the Nonintercourse Acts . . . . Assuming without deciding that this reasoning is correct, it does not address the Eleventh Amendment problem here." *County of Oneida*, 470 U.S. at 252.

110. 105 S. Ct. 3142 (1985).

111. Respondent also sought injunctive and declaratory relief. *Atascadero*, 105 S. Ct. at 3144.

112. 87 Stat. 394 (codified as amended at 29 U.S.C. §§ 701-796i (1982)). The Rehabilitation Act provides that "[n]o otherwise qualified handicapped individual . . . shall, solely by reason of his handicap, . . . be subjected to discrimination under any program or activity receiving Federal financial assistance." 29 U.S.C. § 794 (1982).

113. *Atascadero*, 105 S. Ct. at 3150.

114. *Id.* at 3149 (emphasis added by Court) (quoting 29 U.S.C. § 794a (1982)).

115. *Atascadero*, 105 S. Ct. at 3149.

116. *Id.* at 3149. In support of this ruling, the Court noted that "given their constitutional role, the States are not like any other class of recipients of federal aid." *Id.*

117. *Id.* The Court stated that congressional intent to abrogate eleventh amendment immunity pursuant to § 5 of the fourteenth amendment must be "unmistakably clear in the language of the statute." *Id.* at 3147.

118. *Id.* at 3145 n.1 (emphasis added). "The court [of appeals] erred . . . in concluding

In *Atascadero* the Supreme Court restricted its *Fitzpatrick* holding<sup>119</sup> in two important ways. First, the Court reiterated that *Fitzpatrick* held that Congress' augmented power to unilaterally abrogate eleventh amendment immunity without the states' consent was limited to statutes passed pursuant to section 5 of the fourteenth amendment.<sup>120</sup> Second, the Court held that a congressional intent to limit eleventh amendment protection was not evident when Congress generally authorized federal suit against "any recipient of Federal assistance"<sup>121</sup> instead of specifically including states as potential defendants. Thus, absent clear congressional intent, a state's constitutional immunity cannot be abrogated. These statements are the Supreme Court's most current stance on the doctrine of implied waiver of eleventh amendment immunity.

*B. Copyright Protection and the Eleventh Amendment—  
The Circuit Court Split*

The circuit court split over the proper relationship between copyright protection and the eleventh amendment developed because of different interpretations of the 1909 Copyright Act (the 1909 Act).<sup>122</sup> Pursuant to the copyright and patent clause, section 1 of the 1909 Act grants copyright proprietors the "exclusive right," among other things, to "print, reprint, publish, copy, and vend the copyrighted work" and to "perform the copyrighted work publicly for profit if it be a musical composition."<sup>123</sup> The 1909 Act further provides that "any person" who infringes the copyright in "any work" is subject to injunction and liable for damages, illegally

---

that . . . a State necessarily consents to suit in federal court by participating in programs funded under the [Rehabilitation Act]." *Id.* at 3150.

In his dissent, Justice Brennan stated that the purpose of the eleventh amendment is to preserve the states' immunity from federal court jurisdiction only in diversity suits and not to bar suits based on a federal question. *Atascadero*, 105 S. Ct. at 3177 (Brennan, J., dissenting). Justice Brennan's dissent included an extensive historical review of eleventh amendment jurisprudence. *See id.* at 3150-78. This narrow reading of the eleventh amendment, which would allow copyright suits against states in federal court, has not been accepted by a majority of the Supreme Court.

119. *See supra* notes 80-88 and accompanying text.

120. *Atascadero*, 105 S. Ct. at 3145.

121. *Id.* at 3149. Significantly, the *Atascadero* Court changed the focus of its inquiry from a determination of whether the statutory defendant class was broad enough to include states, *see, e.g., Parden v. Terminal Ry.*, 377 U.S. 184, 187-90 (1964); *see also supra* notes 49-65 and accompanying text, to a determination of whether the state had been included specifically in the defendant class.

122. 17 U.S.C. §§ 1-216 (1976); *see supra* note 6.

123. 17 U.S.C. § 1 (1976).

earned profits, court costs, and attorney's fees.<sup>124</sup>

### 1. *Wihtol v. Crow*

In *Wihtol v. Crow*<sup>125</sup> the United States Court of Appeals for the Eighth Circuit became the first circuit court to consider whether a state instrumentality could be subjected to federal jurisdiction for alleged copyright infringement. The appellant, a composer who alleged that the choral director of an Iowa junior college and high school copied and rearranged his copyrighted song without permission, sued the director and his employer, the local school district.<sup>126</sup> On appeal from the district court's dismissal of the complaint,<sup>127</sup> the school district argued that it could not be held liable for the actions of an agent acting in a governmental capacity.<sup>128</sup>

The Eighth Circuit held that the eleventh amendment's bar to federal court suits against the states deprived the district court of jurisdiction to hear the case against the school district.<sup>129</sup> The court reasoned that the school district, as part of the state's educational system, was a state instrumentality engaged in performing a state governmental function under state law and at state expense.<sup>130</sup> Because any potential damage judgment would be payable out of state funds, the federal court could not exercise jurisdiction without the state's consent.<sup>131</sup> Thus, while the court found that the choir director infringed the composer's rights in the song, the court held that the school district was entitled to dismissal of the action for lack of jurisdiction.<sup>132</sup>

---

124. *Id.* §§ 101, 116.

125. 309 F.2d 777 (8th Cir. 1962).

126. The unauthorized arrangement of the song was performed once by the school choir. *Id.* at 778-79.

127. See *Wihtol v. Crow*, 199 F. Supp. 682 (1961). The federal district court held that the choir director's use of the song was a noninfringing "fair use." *Wihtol*, 309 F.2d at 780. See generally *supra* note 23. The district court, however, further held that regardless of whether the use was "fair," the school district could not be held liable for copyright infringement. *Wihtol*, 309 F.2d at 780.

128. *Wihtol*, 309 F.2d at 778-79.

129. *Id.* at 781-82. "Whether the School District can be subjected to liability for the copyright infringement . . . is a debatable question. A suit against the State of Iowa, for the infringement of a copyright, clearly could not be maintained, because of the Eleventh Amendment . . ." *Id.* at 781.

130. *Id.* at 782. But see *infra* note 207.

131. See *Wihtol*, 309 F.2d at 781-82.

132. In addition, a church at which the choir director also worked and whose choir performed the unauthorized song was found liable under the doctrine of respondeat superior. *Id.* at 783.

Because the *Wihtol* opinion was rendered prior to *Parden v. Terminal Ry.*, 377 U.S. 184

2. *Mills Music, Inc. v. Arizona*

Seventeen years after the *Wihtol* decision the United States Court of Appeals for the Ninth Circuit reconsidered the issue of eleventh amendment immunity in copyright suits. In *Mills Music, Inc. v. Arizona*<sup>133</sup> a music publisher sued the State of Arizona in federal court for the willful infringement of a copyrighted musical composition, which the state allegedly used as the theme song for a state fair promotion.<sup>134</sup> Appealing from the district court's judgment for the publisher, the state argued that the eleventh amendment did not allow the award of damages or attorney's fees.<sup>135</sup> The publisher, however, claimed that the state waived its eleventh amendment immunity through its voluntary participation in a federally regulated activity and through "constitutional subordination of sovereignty."<sup>136</sup>

The Ninth Circuit, citing *Parden v. Terminal Railway*,<sup>137</sup> *Employees v. Department of Public Health and Welfare*,<sup>138</sup> and *Edelman v. Jordan*,<sup>139</sup> enunciated a test for determining whether a state had consented to suit. The court found that a state waives its eleventh amendment immunity "when Congress has authorized suit against a class of defendants that includes states, and the state enters into the activity regulated by federal law."<sup>140</sup> The court first determined that Congress had intended that the states be amenable to suit in the federal courts for copyright infringement. Noting that the 1909 Act defined the class of potential defendants as "any person" who infringes a copyright, the court reasoned that this broad language, "sweeping and without apparent limitation, suggest[s] that Congress intended to include states."<sup>141</sup> Second, the

---

(1964), the decision did not discuss the issue of the school district's possible implied consent and did not consider the availability of injunctive relief.

133. 591 F.2d 1278 (9th Cir. 1979).

134. The plaintiff, who sued the State of Arizona and the Arizona Coliseum and Exposition Center Board, a state agency, also alleged unfair competition. *Id.* at 1280-81.

135. *Id.* at 1280. The district court found that the defendants made 64 tapes and broadcast 3,928 radio and television performances of an unauthorized arrangement of the composition. The district court rejected the defendants' argument that, under § 1(e) of the 1909 Act, their use was not for profit and, thus, did not constitute infringement. *Id.* at 1281.

136. *Id.* at 1283. The court initially determined that the defendants had not consented to federal court suit merely because they admitted the district court's jurisdiction and failed to interpose their eleventh amendment defense until after trial. *Id.* at 1282.

137. 377 U.S. 184 (1964); see *supra* notes 49-65 and accompanying text.

138. 411 U.S. 279 (1973); see *supra* notes 66-73 and accompanying text.

139. 415 U.S. 651 (1974); see *supra* notes 74-79 and accompanying text.

140. *Mills Music*, 591 F.2d at 1283.

141. *Id.* at 1284-85. The court noted that "[e]ven the United States is liable for the

court held that the state voluntarily engaged in the federally regulated commercial activity of copyright use,<sup>142</sup> thus fulfilling the second requirement for waiver of eleventh amendment sovereign immunity.

The court next explored the issue of whether the eleventh amendment was subordinate constitutionally to the copyright and patent clause. Citing *Fitzpatrick v. Bitzer*,<sup>143</sup> the court held that the copyright and patent clause empowered Congress to subject infringing states to suits in federal court despite the eleventh amendment.<sup>144</sup> The court decided that the abrogation of a state's eleventh amendment immunity clearly is inherent in the copyright and patent clause and the 1909 Act.<sup>145</sup> The court reasoned that when "Congress grants an exclusive right or monopoly, its effects are pervasive; no citizen or State may escape its reach."<sup>146</sup> Finding the state amenable to suit in federal court, the *Mills Music* court affirmed the district court's award of damages and attorney's fees. The court acknowledged that its decision was contrary to the Eighth Circuit's holding in *Wihl*,<sup>147</sup> but nevertheless concluded that a "state may not, consistent with the Constitution, infringe the federally protected rights of the copyright holder, and thereafter avoid the federal system of statutory protections."<sup>148</sup>

---

infringement of a copyright . . . ; to hold that Congress did not intend to include states within the class of defendants would lead to an anomalous construction of the statute at best." The court reasoned further that "the Copyright and Patent Clause is a specific grant of constitutional power that contains inherent limitations on state sovereignty." *Id.* at 1285.

142. *Id.* at 1286.

143. 427 U.S. 445 (1976); see *supra* notes 80-88 and accompanying text.

144. *Mills Music*, 591 F.2d at 1283, 1285-86.

145. *Id.* at 1285.

146. *Id.* (quoting *Goldstein v. California*, 412 U.S. 546, 560 (1973) (emphasis added)). Significantly, *Goldstein*, on which the court's subordination analysis relied heavily, did not concern copyright infringement but, instead, concerned federal preemption in the copyright field. In *Goldstein* the Supreme Court upheld a state criminal statute despite a preemption objection.

147. *Mills Music*, 591 F.2d at 1286.

148. *Id.* The court noted: "[T]he Eleventh Amendment's sovereign immunity does not permit a state to nullify [copyrights]." *Id.*

Additionally, the United States Court of Appeals for the Eleventh Circuit recently affirmed a federal district court's finding of eleventh amendment immunity from a copyright infringement suit. See *Cardinal Indus., Inc. v. Anderson Parrish Assocs., Inc.*, No. 83-1038-Civ.-T-13, slip op. (M.D. Fla. Sept. 6, 1985), *aff'd*, No. 86-3354 (11th Cir. Jan. 27, 1987) (per curiam); *infra* notes 196-205 and accompanying text.

### III. RECENT DEVELOPMENTS

Following *Mills Music* the conflict in the federal courts between the protection of copyright proprietors and the states' constitutional immunity did not reemerge for five years.<sup>149</sup> Recently, however, a federal circuit court of appeals and five federal district courts have rekindled the controversy with decisions on both sides of the issue.

#### A. *Mihalek Corp. v. Michigan*

In *Mihalek Corp. v. Michigan*<sup>150</sup> the plaintiff sued the state for copyright infringement under the 1909 Act, seeking damages and injunctive relief.<sup>151</sup> The plaintiff claimed that the state's agents misappropriated his copyrighted materials and used them for a promotional campaign to encourage travel and investment in Michigan.<sup>152</sup> The state claimed immunity under the eleventh

149. A similar split has developed between federal district courts concerning patent infringement by the states. Compare *Lemelson v. Ampex Corp.*, 372 F. Supp. 708 (N.D. Ill. 1974) (holding that the eleventh amendment does not bar an award of money damages against a state agency in federal court for patent infringement) with *Hercules, Inc. v. Minnesota State Highway Dept.*, 337 F. Supp. 795 (D. Minn. 1972) (holding that a state agency, although subject to injunction, is immune, under the eleventh amendment, from federal court suit seeking money damages for patent infringement).

In *Association of Am. Medical Colleges v. Carey*, 482 F. Supp. 1358 (N.D.N.Y. 1980), the court, citing *Ex parte Young*, 209 U.S. 123 (1908), held that the eleventh amendment did not bar a preliminary injunction against copyright infringement by state officials. See *supra* notes 45-46 and accompanying text. Following *Mills Music* at least three state attorneys general opined that states can be held liable for copyright infringement. See W. PATRY, *supra* note 14, at 272 n.70.

150. 595 F. Supp. 903 (E.D. Mich. 1984), appeal docketed, No. 85-1593 (6th Cir. July 23, 1985).

The United States Circuit Court of Appeals for the Sixth Circuit faced the issue of copyright infringement by state officials almost ninety years ago in *Howell v. Miller*, 91 F. 129 (6th Cir. 1898). Although the court refused on other grounds to grant an injunction, it ruled that the eleventh amendment does not bar a federal court suit seeking injunctive relief to prevent infringement by officers and agents of a state. The *Howell* plaintiff did not seek money damages.

151. The defendants were the State of Michigan, the Michigan Department of Commerce and its director, and the governor. In addition to copyright infringement, the plaintiff also brought pendant state claims for unfair competition and misappropriation of work product, as well as claims for violation of trademark and 42 U.S.C. § 1983 (1982) (allowing private damages suit for civil rights deprivations "under color of law"). *Mihalek*, 595 F. Supp. at 904. In *Quern v. Jordan*, 440 U.S. 332, 342 (1979), the Supreme Court held that 42 U.S.C. § 1983 does not abrogate eleventh amendment immunity.

152. "Plaintiff alleges that he entered into agreements with agents of the state of Michigan for creation of [the promotional campaign]. He showed the materials to these people while the work was in progress, and the agents allegedly appropriated the designs for their own use . . . ." *Mihalek*, 595 F. Supp. at 904.



amendment.<sup>153</sup>

Noting the earlier circuit court split, the United States District Court for the Eastern District of Michigan rejected the *Mills Music*<sup>154</sup> rationale, which concluded that the 1909 Act had abrogated the states' eleventh amendment immunity, and held that the state was immune from suit in federal court.<sup>155</sup> Relying on *Edelman v. Jordan*,<sup>156</sup> the court first noted that although the copyright and patent clause exhibits a clear federal interest in the area of copyright, the 1909 Act, not the copyright and patent clause, afforded specific protection against infringement.<sup>157</sup> The court concluded that a right against infringement, although guaranteed by federal law, "is deserving of no more protection than is the right to benefits for the aged, blind, and disabled," for which the Supreme Court denied "retroactive" monetary relief in *Edelman*.<sup>158</sup>

The *Mihalek* court held that despite federal statutory copyright protection, the eleventh amendment bars federal jurisdiction to award damages that would be paid out of state funds.<sup>159</sup> Thus, the defendants were immune from the plaintiff's request for monetary damages. Although the state was totally immune from suit, the court acknowledged that under *Ex parte Young*<sup>160</sup> the plaintiff could seek an injunction against future infringement by state agents.<sup>161</sup>

#### B. Johnson v. University of Virginia

*Johnson v. University of Virginia*<sup>162</sup> was the first eleventh amendment case decided under the revised Copyright Act of 1976

---

153. The defendants moved to dismiss, arguing that although individual state officials were named in the suit, the action was against the state. *Id.* at 904-05. In addition, the defendants moved for a change of venue, which the court denied. *Id.* at 906-07.

154. See *supra* notes 133-48 and accompanying text. The plaintiffs responded to the defendants' motion to dismiss by arguing that, under *Mills Music*, the eleventh amendment did not bar federal copyright suits against states or state officials. *Mihalek*, 595 F. Supp. at 905.

155. *Mihalek*, 595 F. Supp. at 905-06.

156. 415 U.S. 651 (1974); see *supra* notes 74-79 and accompanying text.

157. *Mihalek*, 595 F. Supp. at 906.

158. *Id.*; see *Edelman*, 415 U.S. at 669.

159. *Mihalek*, 595 F. Supp. at 906. Citing *Pennhurst State School & Hosp. v. Halderman*, 465 U.S. 89 (1984), the court ruled that the eleventh amendment also bars injunctive relief against state officials in federal court for claims based on state law. *Mihalek*, 595 F. Supp. at 906.

160. 209 U.S. 123 (1908); see *supra* notes 45-46 and accompanying text.

161. *Mihalek*, 595 F. Supp. at 906.

162. 606 F. Supp. 321 (W.D. Va. 1985).

(the 1976 Act).<sup>163</sup> The 1976 Act provides that "anyone who violates any of the exclusive rights of the copyright owner . . . is an infringer of the copyright;"<sup>164</sup> liable for damages, profits, costs, and attorney's fees; and subject to injunction.<sup>165</sup> Under the 1976 Act, the copyright proprietor has the exclusive right to reproduce, distribute, perform, display publicly, and prepare derivations of the protected work.<sup>166</sup> One important purpose for this revision of the 1909 Act was to allow Congress to exercise more fully its powers under the copyright and patent clause.<sup>167</sup> Thus, for example, the 1976 Act expressly preempts state law copyright protection for federally protected subject matter<sup>168</sup> and extends protection to all "original works of authorship fixed in any tangible medium of expression."<sup>169</sup>

In *Johnson* the plaintiff alleged that the state university and two employees infringed his copyright in photographs taken at the school's sporting events. The plaintiff sought statutory damages and attorney's fees. The defendants, however, argued that the eleventh amendment barred any claim payable out of the state's treasury.<sup>170</sup> Citing *Mills Music*,<sup>171</sup> the United States District for the Western District of Virginia held that the 1909 and 1976 Acts abrogated the state's constitutional immunity under the eleventh amendment.<sup>172</sup>

The court reasoned that under the *Mills Music* court's reading of *Edelman*<sup>173</sup> a federal statute effectively could nullify a state's eleventh amendment protection if Congress' intent was explicit or

---

163. 17 U.S.C. §§ 101-914 (1982 & Supp. III 1985); see *supra* notes 5-6 and accompanying text.

164. 17 U.S.C. § 501 (1982 & Supp. II 1984).

165. *Id.* §§ 502, 504, 505.

166. *Id.* § 106.

167. See *id.* § 301 (1982).

168. *Id.* § 301 (a).

169. *Id.* § 102(a); see 17 U.S.C. § 4 (1976) (stating that "[t]he works for which copyright may be secured under this title shall include all the writings of an author") (emphasis added).

170. *Johnson*, 606 F. Supp. at 322. The plaintiff also brought a pendant state claim for the alleged loss of photographic slides. The defendants moved for dismissal or summary judgment, arguing that the infringement claim against the university, and its employees derivatively, actually was against the Commonwealth of Virginia. In addition to this eleventh amendment argument, the defendants also alleged that the plaintiff had "not made the requisite showing for . . . damages and fees." *Id.* at 322.

171. 591 F.2d 1278 (9th Cir. 1979); see *supra* notes 133-48 and accompanying text.

172. *Johnson*, 606 F. Supp. at 324.

173. 415 U.S. 651 (1974); see *supra* notes 74-79 and accompanying text.

overwhelmingly apparent.<sup>174</sup> The court first noted *Mills Music's* holding that the class of potential defendants, defined in the 1909 Act as "any person [who infringes]," was broad enough to evidence an intent to include the states.<sup>175</sup> Turning next to the language of the 1976 Act, the court found that the defendant class, defined as "anyone [who infringes],"<sup>176</sup> was "at least as sweeping, and probably more sweeping" than that of the 1909 Act.<sup>177</sup> Based on the *Mills Music* rationale and the revised statutory text, the court concluded that the 1976 Act nullified the state's eleventh amendment protection against money damages and injunctive relief.<sup>178</sup> Accordingly, the *Johnson* court denied the defendants' motion for dismissal or summary judgment. Having found sufficient congressional intent in the 1976 Act to abrogate the state's eleventh amendment immunity, the court did not consider whether the state had consented to suit in federal court.

C. *Woelffer v. Happy States of America, Inc.*

In *Woelffer v. Happy States of America, Inc.*<sup>179</sup> an Illinois state agency<sup>180</sup> sought a judicial declaration that the eleventh amendment barred the defendant's potential copyright claim concerning the state's use of a slogan in a tourism campaign.<sup>181</sup> The defendant counterclaimed, alleging copyright infringement and

---

174. *Johnson*, 606 F. Supp. at 323-24. "Wihtol provides little more than a conclusory statement that the Eleventh Amendment bars suits against the states, their instrumentalities, and their agents . . . . By contrast, *Mills Music* includes a thoughtful examination of the 1909 Act and the recent Supreme Court opinions concerning the Eleventh Amendment . . . ." *Id.* at 323.

175. *Id.* at 323 (citing *Mills Music*, 591 F.2d at 1285); see 17 U.S.C. § 1 (1976).

176. 17 U.S.C. § 501(a) (1982 & Supp. II 1984).

177. *Johnson*, 606 F. Supp. at 324.

178. *Id.* The court, however, granted the defendants' motion requesting dismissal of the pendant state law claim for the lost photographic slides, reasoning that an insufficient nexus existed between that claim and the plaintiff's federal claim. *Id.* See generally *UMW v. Gibbs*, 383 U.S. 715 (1966).

Additionally, the court granted the defendants' request for denial of the plaintiff's statutory damages and attorney's fees claims under the 1976 Act. See 17 U.S.C. § 504(c) (1982) (statutory damages); 17 U.S.C. § 505 (1982) (costs and attorney's fees). The court reasoned that the works were not registered in a timely manner, a prerequisite for such awards under 17 U.S.C. § 412 (1982) (requiring registration as "prerequisite to certain remedies for infringement"). *Johnson*, 606 F. Supp. at 324-25.

179. 626 F. Supp. 499 (N.D. Ill. 1985).

180. The plaintiffs included the Illinois Department of Commerce and Community Affairs, its director, and a private advertising agency whose work product was subject to review by the agency. *Id.* at 501 & n.1.

181. Additionally, the plaintiffs sought a declaration that the state's use of the slogan in question was not a violation of the defendant's federal and state law rights. *Id.* at 501.

seeking declaratory and injunctive relief, costs, and attorney's fees.<sup>182</sup> The United States District Court for the Northern District of Illinois held that the eleventh amendment bars suit against the state agency.<sup>183</sup>

Citing *Mills Music*,<sup>184</sup> the defendant first argued that Congress intended the 1976 Act to abrogate the states' constitutional immunity. The court, however, determined that the Supreme Court's recent decision in *Atascadero State Hospital v. Scanlon*<sup>185</sup> raised questions about *Mills Music*'s continued validity.<sup>186</sup> While the *Mills Music* court found that the language "any person [who infringes]" showed statutory intent to include the states among possible defendants,<sup>187</sup> the *Woelffer* court noted that *Atascadero* required the states' specific inclusion in the defendant class.<sup>188</sup> The court concluded that the general designation of the 1976 Act, "[a]nyone" who infringes a copyright,<sup>189</sup> is not sufficient to show congressional intent to abrogate eleventh amendment immunity.<sup>190</sup>

Again citing *Mills Music*, the defendant argued that regardless

182. Under the Lanham Act, 15 U.S.C. §§ 1051-1127 (1982 & Supp. II 1984), the defendant also alleged false designation of origin or false description, *see id.* § 1125(a), and presented various pendant state law claims. The plaintiff's counterclaim did not seek money damages. *Woelffer*, 626 F. Supp. at 501 n.1.

183. *Woelffer*, 626 F. Supp. at 505.

Before discussing the issue of abrogation of eleventh amendment immunity, the court first addressed the question of whether the state had voluntarily consented to a countersuit against it by seeking declaratory relief in federal court. Citing *Pennhurst State School & Hosp. v. Halderman*, 465 U.S. 89, 102 (1984), the court concluded that the eleventh amendment barred suit against the agency director because the state was the real, substantial party in interest. *Woelffer*, 626 F. Supp. at 501. The court ruled that while the state's request for declaratory relief constituted consent to federal suit for similar relief, the state's suit did not mean that it waived its immunity regarding the injunction or the attorney's fees and costs sought by the plaintiff. *Id.* at 503.

184. 591 F.2d 1278 (9th Cir. 1979); *see supra* notes 133-48 and accompanying text. The defendant also maintained that Congress intended to nullify the states' immunity under the Lanham Act, 15 U.S.C. § 1051-1127 (1982 & Supp. II 1984).

185. 105 S. Ct. 3142 (1985); *see supra* notes 110-21 and accompanying text.

186. The court noted that *Mihalek* rejected the *Mills Music* court's analysis. *Woelffer*, 626 F. Supp. at 503 n.5.

187. *See Mills Music*, 591 F.2d at 1284-85; *supra* notes 140-41.

188. "The watershed principle . . . in *Atascadero* governs . . . . The sweeping language employed by Congress arguably includes states within the class of . . . infringers . . . . The general authorization for suit in federal court against 'anyone' who infringes a copyright . . . is not the kind of unequivocal statutory language sufficient to abrogate the Eleventh Amendment." *Woelffer*, 626 F. Supp. at 504; *see Atascadero*, 105 S. Ct. at 3149.

189. 17 U.S.C. § 501(a) (1982 & Supp. II 1984).

190. For the same reason, the court held that the cause of action under the Lanham Act against "[a]ny person" who falsely represents or falsely designates the origin of goods or services in interstate commerce, 15 U.S.C. § 1125(a) (1982), does not abrogate the states' immunity. *Woelffer*, 626 F. Supp. at 504.

of statutory intent, the eleventh amendment is subordinate to the copyright and patent clause.<sup>191</sup> Thus, the defendant contended, any copyright statute passed pursuant to this constitutional clause inherently would nullify a state's constitutional immunity.<sup>192</sup> Unlike the *Mills Music* court, however, the *Woelffer* court refused to extend the *Fitzpatrick v. Bitzer*<sup>193</sup> holding beyond the context of a statute passed pursuant to section 5 of the fourteenth amendment. Absent the state's consent to suit or implied waiver of immunity, the court would not find abrogation of eleventh amendment immunity merely because Congress enacted a copyright statute.<sup>194</sup> Therefore, the court concluded that the eleventh amendment barred the defendant's counterclaims for an injunction and attorney's fees. The court, however, did permit injunctive relief against future infringement by state officials.<sup>195</sup>

#### D. Cardinal Industries, Inc. v. Anderson Parrish Associates, Inc.

In *Cardinal Industries, Inc. v. Anderson Parrish Associates, Inc.*<sup>196</sup> the plaintiff claimed that officials of a Florida state university infringed its copyrighted architectural plans for a student housing project.<sup>197</sup> The university's officials, who sought summary

191. See *Mills Music*, 591 F.2d at 1278; *supra* notes 143-46 and accompanying text.

192. *Woelffer*, 626 F. Supp. at 504.

193. 427 U.S. 445 (1976); see *supra* notes 80-88 and accompanying text.

194. "Congress did not enact the [1976] Act pursuant to its flexible Fourteenth Amendment powers. This fact obviously cuts against defendant's argument of Congressional abrogation of the Eleventh Amendment." *Woelffer*, 626 F. Supp. at 505 n.9.

The court noted that the Supreme Court recently had assumed, only for purposes of argument, that the reasoning of the *Mills Music* court had been correct. See *County of Oneida v. Oneida Indian Nation*, 470 U.S. 226, 252 (1985); *supra* notes 105-09 and accompanying text. The *Woelffer* court, however, characterized the Court's discussion of *Mills Music* as "inconsequential dictum . . . completely superseded by the subsequent comprehensive analysis is [sic] *Atascadero*." *Woelffer*, 626 F. Supp. at 504 n.8; see *Atascadero*, 105 S. Ct. at 3150; *supra* notes 110-21 and accompanying text. But see *Goldstein v. California*, 412 U.S. 546, 560 (1973) (holding that "[w]hen Congress grants an exclusive right or monopoly, its effects are pervasive; no citizen or State may escape its reach").

Similarly, the *Woelffer* court held that "[b]ecause the Lanham Act was enacted under the Commerce Clause, [the subordination] argument is inapposite to defendant's false description claim." *Woelffer*, 626 F. Supp. at 504 n.7.

195. *Woelffer*, 626 F. Supp. at 505 (citing, *inter alia*, *Edelman v. Jordan*, 415 U.S. 651 (1974)); see *supra* note 79 and accompanying text. The court ruled, however, that an attorney's fees award would be a state treasury expense barred by the eleventh amendment. In addition, the court ruled that the plaintiff advertising agency did not derivatively enjoy immunity as an agent of the state. *Woelffer*, 626 F. Supp. at 506.

196. No. 83-1038-Civ-T-13, slip op. (M.D. Fla. Sept. 6, 1985), *aff'd*, No. 86-3354 (11th Cir. Jan. 27, 1987) (per curiam).

197. A Florida architectural firm and certain of its employees and officers also were named as defendants. See Brief on Appeal of Appellant, at 2, *Cardinal Indus.*, No. 86-3354.

judgment denying the plaintiff's request for monetary and injunctive relief, claimed eleventh amendment immunity.<sup>198</sup>

Reasoning that the state university was the real and substantial party in interest,<sup>199</sup> the court stated that the eleventh amendment would protect the nominal officials unless the university had waived this protection or Congress had abrogated the state's eleventh amendment immunity.<sup>200</sup> The panel concluded that "[a] review of the statutes and claims involved in this suit convinces this Court that the Eleventh Amendment protection has neither been waived nor abrogated."<sup>201</sup> Thus, the court granted the officials' motion for summary judgment as a matter of law.<sup>202</sup> Significantly, the *Cardinal Industries* court neither cited nor discussed the split of authority in the federal courts.<sup>203</sup> Furthermore, the court discussed neither the Supreme Court's recent *Atascadero* opinion nor the "statutes" that the court claimed it had reviewed.<sup>204</sup> The United States Court of Appeals for the Eleventh Circuit affirmed the district court's decision without discussion.<sup>205</sup>

---

The court denied the motion of these defendants for summary judgment. *Cardinal Indus.*, No. 83-1038-Civ-T-13, slip op. at 2. The plaintiff, who also claimed unfair competition, was an Ohio real estate firm whose business included the manufacture and construction of modular housing units. *Id.* at 4.

198. *Cardinal Indus.*, No. 83-1038-Civ-T-13, slip op. at 2-3. "Although named in their individual capacities, the defendants contend that they were working within the scope of their official capacities as the Director of Housing and as a member of the Office of the Facility Planning . . . at the University of South Florida . . ." *Id.* at 2.

In addition to money damages and injunctive relief, the plaintiff also sought destruction of the university's materials that infringed the plaintiff's architectural plans. *Id.* at 4; see 17 U.S.C. § 503 (1982) ("Remedies for infringement: Impounding and disposition of infringing articles").

199. *Cardinal Indus.*, No. 83-1038-Civ-T-13, slip op. at 4 (citing *Pennhurst State School & Hosp. v. Scanlon*, 465 U.S. 89, 101 (1984)).

200. *Cardinal Indus.*, No. 83-1038-Civ-T-13, slip op. at 5 (citing *Clark v. Barnard*, 108 U.S. 436 (1883) (waiver of immunity) and *Fitzpatrick v. Bitzer*, 427 U.S. 445 (1976) (abrogation of immunity)).

201. *Cardinal Indus.*, No. 83-1038-Civ-T-13, slip op. at 5. "Before a court will subject a state or its instrumentalities to suit in a federal court, state consent or congressional abrogation must be 'unequivocally expressed'." *Id.* (quoting *Pennhurst*, 465 U.S. at 99).

202. *Cardinal Indus.*, No. 83-1038-Civ-T-13, slip op. at 5. The court stated that a ruling on the defendants' additional claim of protection under common law sovereign immunity was unnecessary. *Id.*

203. See *supra* notes 122-95 and accompanying text.

204. *Cardinal Indus., Inc. v. Anderson Parrish Assocs., Inc.*, No. 83-1038-Civ-T-13, slip op. (M.D. Fla. Sept. 6, 1985), *aff'd*, No. 86-3354 (11th Cir. Jan. 27, 1987) (per curiam).

205. *Cardinal Indus., Inc. v. Anderson Parrish Assocs., Inc.*, No. 86-3354 (11th Cir. Jan. 27, 1987) (per curiam).

E. Richard Anderson Photography v. Radford University

In the most recent federal district court case addressing the issue, the United States District Court for the Western District of Virginia, only one year after deciding *Johnson*, reached a different result. In *Richard Anderson Photography v. Radford University*<sup>206</sup> the plaintiff sued a state university under the 1976 Act, claiming copyright infringement of photographs made for the institution's student prospectus.<sup>207</sup> The plaintiff sought money damages, claiming that the university subsequently used the photographs in other publications without authority.<sup>208</sup> The defendants claimed eleventh amendment immunity.

The *Anderson* court first considered the issue of unilateral congressional abrogation of eleventh amendment immunity. The court held that Congress, acting pursuant to the copyright and patent clause, did not have the power to abrogate the states' constitutional immunity without the states' consent.<sup>209</sup> Citing *Atas-*

---

206. 633 F. Supp. 1154 (W.D. Va. 1986).

207. The university contracted with a design organization, which in turn retained the plaintiff to make the photographs. Although the plaintiff did not register his copyrights until after the alleged infringements occurred, see 17 U.S.C. § 412 (1982) ("Registration as prerequisite to certain remedies for infringement"), the court noted that § 412(2) provides a three month grace period in which to register. *Anderson*, 633 F. Supp. at 1156 & n.2.

In addition to the university, the defendants included the institution's Director of Public Relations and Information and the institution's governing body. *Id.* at 1155, 1160. The court held that the university was an "arm of the state" for purposes of the eleventh amendment and, thus, enjoyed whatever immunity the state enjoyed. *Id.* at 1158 & n.10.

In a footnote the court stated that "[i]nsofar as *Wihol* [v. Crow, 309 F.2d 777 (8th Cir. 1962)] held that local school districts are 'arms of the state' for the purposes of the Eleventh Amendment . . . it may have been incorrectly decided." *Anderson*, 633 F. Supp. at 1160 n.14 (citing *Mt. Healthy City School Dist. Bd. of Educ. v. Doyle*, 429 U.S. 274, 280-81 (1977) (holding that unless state law so provides, school districts are not "arms of the state")); see *supra* notes 129-32 and accompanying text. The court noted that "[t]he Eleventh Amendment applies only to States and agencies and instrumentalities of the States, not to subdivisions such as municipalities and counties." *Anderson*, 633 F. Supp. at 1160 n.14 (citing, *inter alia*, *Monell v. Department of Social Servs.*, 436 U.S. 658, 690 n.54 (1978)); see *Lincoln County v. Luning*, 133 U.S. 529 (1890) (holding that eleventh amendment does not bar suit for money damages against school district); *Atascadero*, 105 S. Ct. at 3155 n.8 (stating that "the Eleventh Amendment is not a bar to suits against local governmental units") (citing *Lincoln County*, 133 U.S. at 530); *Marcus v. Rowley*, 695 F.2d 1171 (9th Cir. 1983) (holding school district liable for copyright infringement).

208. Initially, the plaintiff also sought injunctive relief. However, because the university returned his photographs after he filed the complaint, the plaintiff dropped that request. *Anderson*, 633 F. Supp. at 1156.

209. *Id.* at 1158. The court rejected the plaintiff's argument, supported by *Mills Music*, 591 F.2d at 1285, and *Goldstein v. California*, 412 U.S. 546, 560 (1973), that "the States have no sovereignty, and thus no immunity, when Congress acts pursuant to one of Article I's enumerated powers, such as the Copyright and Patent Clause." *Anderson*, 633 F. Supp. at 1158 n.9. The court found *Goldstein* "inapposite because it deals not with the issue of

*cadereo*<sup>210</sup> and *Fitzpatrick*,<sup>211</sup> the court reasoned that the Supreme Court recognized this power only when Congress acts pursuant to section 5 of the fourteenth amendment.<sup>212</sup> Thus, the court focused not on whether Congress had abrogated the states' immunity, but on whether the state had waived its immunity.<sup>213</sup>

Finding no evidence of express waiver,<sup>214</sup> the *Anderson* court examined whether the State of Virginia, by operating the university, impliedly consented to suit in federal court. The court used a two-part test, first determining whether the 1976 Act authorized suits against "a class of defendants which literally includes states."<sup>215</sup> Citing the interpretation of statutory language in *Mills Music*<sup>216</sup> and *Johnson*,<sup>217</sup> the court held that the general authorization in the 1976 Act for suit against "anyone" who infringes is broad enough to include states.<sup>218</sup>

In the second part of its waiver analysis, the court examined whether the state had given an "unequivocal indication" of consent to federal court suit.<sup>219</sup> Holding that the state had not impliedly waived its eleventh amendment immunity, the court decided that the circumstances did not indicate clearly the state's intent.<sup>220</sup> The court determined that in cases finding implied waiver of eleventh amendment immunity, states generally were faced with the choice of whether to act, usually in the context of accepting or rejecting a benefit provided by a federal statute or program. The court stated that "when it appears from the context of the federal statute granting the benefit that receipt of the benefit by the State is conditioned upon its surrender of its Eleventh Amendment immunity, the courts find that the State's actions constituted a waiver of its

---

Eleventh Amendment immunity, but with the issue of federal preemption of the copyright field." *Id.*

210. 105 S. Ct. 3142 (1985); see *supra* notes 110-21 and accompanying text.

211. 427 U.S. 445 (1976); see *supra* notes 80-88 and accompanying text.

212. *Anderson*, 633 F. Supp. at 1158.

213. *Id.*

214. *Id.* "A State may, for example, expressly waive its constitutional immunity by a state statute or constitutional provision." *Id.* at 1157 (citing *Atascadero*, 105 S. Ct. at 3145 n.1, 3147); see *supra* notes 47-48 and accompanying text. See generally Note, *supra* note 10.

215. *Anderson*, 633 F. Supp. at 1157 (quoting *Edelman*, 415 U.S. at 672).

216. 591 F.2d 1278 (9th Cir. 1979); see *supra* notes 140-41 and accompanying text.

217. 606 F. Supp. 321 (W.D. Va. 1985); see *supra* notes 162-78 and accompanying text.

218. *Anderson*, 633 F. Supp. at 1159.

219. *Id.* at 1157 (quoting *Atascadero*, 105 S. Ct. at 3145 n.1). "Before a State can be found to have impliedly waived its immunity, its intent to do so must clearly appear from the circumstances." *Anderson*, 633 F. Supp. at 1159.

220. *Anderson*, 633 F. Supp. at 1159.



immunity."<sup>221</sup>

The *Anderson* court noted that the first implied waiver case, *Parden v. Terminal Railway*,<sup>222</sup> is difficult to reconcile with later Supreme Court cases that seemingly demonstrate a "greater reluctance" to find implied waiver.<sup>223</sup> Distinguishing the cases, however, the court noted that the operation of the railroad in *Parden* was less of a traditional state function than the administration of Social Security funds in *Edelman v. Jordan*<sup>224</sup> and the participation in a program for the handicapped in *Atascadero*.<sup>225</sup> The court suggested that in *Parden* the Supreme Court was more willing to imply waiver because "there was less compulsion for [the state] to choose to operate a railroad that [sic] there would have been had it been dealing with a more basic and fundamental function of the State."<sup>226</sup>

Examining the instant facts, the court noted that the state function of operating a university necessarily requires the daily use of federally protected copyrights. Because the state, in carrying out this traditional governmental function, effectively was compelled to use copyrighted works, the court reasoned that the state's activities were analogous to the activities in *Edelman* and *Atascadero*, cases in which waiver was not implied.<sup>227</sup> Therefore, finding no im-

---

221. *Id.* "Such was the situation in *Parden* and the Supreme Court held that by choosing to operate a railroad in interstate commerce the state of Alabama had . . . impliedly waived its Eleventh Amendment immunity." *Id.*

222. 377 U.S. 184 (1964); see *supra* notes 49-65 and accompanying text.

223. *Anderson*, 633 F. Supp. at 1159 & n.12 (citing *Welch v. State Dep't of Highways and Pub. Transp.*, 780 F.2d 1268 (5th Cir.) (en banc) (noting that later cases, including *Atascadero*, have limited the broad sweep of *Parden*), *cert. granted*, 107 S. Ct. 58 (1986)).

224. 415 U.S. 651 (1974); see *supra* notes 74-79 and accompanying text.

225. *Anderson*, 633 F. Supp. at 1160. The court noted that the distinction between "governmental" and "proprietary" state functions had been rejected in the context of the tenth amendment. *Id.* at 1160 n.13 (citing *Garcia v. San Antonio Metropolitan Transit Auth.*, 469 U.S. 528 (1985)). Assuming that the distinction also was no longer valid in the eleventh amendment context, the court nonetheless believed that an examination of the state function in *Anderson* was helpful in determining "the degree of compulsion that a State was under to furnish a particular service or to accept a given benefit." *Anderson*, 633 F. Supp. at 1160 n.13.

226. *Id.* at 1160.

227. *Id.* The court declared that the state function of operating a university "per force requires almost daily decision-making with regard to matters governed by Acts of Congress, including the use of property rights created by the copyright law." *Id.*

While the plaintiff argued that *Johnson*, decided by the same court the preceding year, was dispositive of the issue, the court stated that *Johnson*, in which waiver was implied, would have been decided differently in light of the subsequent *Atascadero* holding. "*Atascadero* imposes a more stringent standard than had been used in the past by requiring courts to find an 'unequivocal indication' of a State's consent to be sued in federal court." *Id.*; see *supra* text accompanying note 118.

plied waiver of eleventh amendment immunity, the court granted the university's motion to dismiss.<sup>228</sup>

#### IV. ANALYSIS

In a copyright infringement suit against a state, the issue to be resolved is whether the state has waived or Congress has abrogated the state's eleventh amendment immunity. In *Parden v. Terminal Railway*<sup>229</sup> the Supreme Court suggested, although somewhat ambiguously, an appropriate three step analysis<sup>230</sup> for determining implied waiver. First, does Congress have the power to abrogate the state's common law sovereign immunity?<sup>231</sup> Second, does the relevant statute indicate congressional intent to condition the state's right to enter a federally regulated activity upon the state's consent to suit in federal court?<sup>232</sup> Last, in light of this congressional power and intent, does the state's subsequent or continued activity in the federally regulated area imply waiver of its eleventh amendment immunity?<sup>233</sup> *Fitzpatrick v. Bitzer*<sup>234</sup> and *Atascadero State Hospital v. Scanlon*<sup>235</sup> call for an additional inquiry: Does Congress have the constitutional power and statutory intent to unilaterally abrogate constitutional immunity and, thus, remove the requirement of state consent? Federal courts have answered these questions inconsistently in copyright infringement cases.<sup>236</sup>

---

228. The court held that the university's governing body enjoyed the same immunity as the university. *Anderson*, 633 F. Supp. at 1160. To the extent that the suit was directed against the public relations director in her official capacity, the court ruled that she also enjoyed constitutional immunity, reasoning that the state was the real party in interest. *Id.* (citing *Pennhurst State School & Hosp. v. Halderman*, 465 U.S. 89, 101 & n.11 (1984) (holding that the state is a real party in interest when "the judgment sought would expend itself on the public treasury or domain, or interfere with the public administration, or if the effect of the judgment would be to restrain the Government from acting, or compel it to act")). The court, however, left open the possibility that the director might be personally liable. *Anderson*, 633 F. Supp. at 1161.

Finally, the court granted the plaintiff's motion to amend his complaint to allege the state's unlawful taking of property in violation of the fourteenth amendment. The court invited counsel to submit briefs "on the applicability of Eleventh Amendment immunity to this constitutional claim." *Id.*

229. 377 U.S. 184, 187, 192 (1964); see *supra* notes 49-65 and accompanying text.

230. See Note, *supra* note 10, at 520 n. 44; cf. Comment, *supra* note 10, at 958-59 (suggesting a similar two step analysis).

231. See *supra* note 42 for a discussion of the distinction between common law sovereign immunity and eleventh amendment immunity.

232. See *Parden*, 377 U.S. at 187, 192.

233. See *id.* at 192.

234. 427 U.S. 445 (1976); see *supra* notes 80-88 and accompanying text.

236. 105 S. Ct. 3142 (1985); see *supra* notes 110-21 and accompanying text.

236. Compare *Mills Music, Inc. v. Arizona*, 591 F.2d 1278 (9th Cir. 1979) with *Woelf-*

A. *Congressional Power to Abrogate Common Law Sovereign Immunity*

When considered without reference to the eleventh amendment, the copyright and patent clause gives Congress sufficiently broad power to abrogate the states' common law sovereign immunity.<sup>237</sup> In granting Congress the constitutional power to regulate copyright protection, the states surrendered any part of their sovereignty that would interfere with that regulation.<sup>238</sup> As the *Parden* Court noted, "The sovereign power of the states is necessarily diminished to the extent of the grants of power to the federal government."<sup>239</sup> In *Goldstein v. California*,<sup>240</sup> which concerned federal preemption of state copyright protection, the Supreme Court declared that "the States cannot exercise a sovereign power which, under the Constitution, they have relinquished to the Federal Government for its exclusive exercise . . . . When Congress grants an exclusive right or monopoly, its effects are pervasive; no citizen or State may escape its reach."<sup>241</sup>

Thus, because the cause of action created in the 1909 and 1976 Acts is within the congressional copyright power, common law sovereign immunity does not bar application of the Acts against infringing states.<sup>242</sup> The Constitution, however, may prescribe limitations on Congress' copyright power to nullify the state's immunity from suit.<sup>243</sup> The eleventh amendment's prohibition of infringement suits in federal court against nonconsenting states acts as such a limitation.<sup>244</sup> Absent express waiver of this immunity, a

fer v. Happy States of America, Inc., 626 F. Supp. 499 (N.D. Ill. 1985).

237. See Comment, *supra* note 10, at 947 n.121 (stating that "[t]he power of Congress to lift the common law immunity of the states is not questioned") (citing *Parden*, 377 U.S. at 198 (White, J., dissenting)).

238. Cf. *Parden*, 377 U.S. at 191-92 (holding that "[b]y empowering Congress to regulate commerce . . . the States necessarily surrendered any portion of their sovereignty that would stand in the way of such regulation").

239. *Id.* (quoting *United States v. California*, 297 U.S. 175, 184 (1936)).

240. 412 U.S. 546 (1973).

241. *Id.* at 552, 560, quoted in *Mills Music*, 591 F.2d at 1285; see *supra* note 146 and accompanying text.

242. Cf. *Parden*, 377 U.S. at 192 (holding that "[s]ince imposition of the FELA right of action upon interstate railroads is within the congressional regulatory power, it must follow that application of the Act to [the state run] railroad cannot be precluded by sovereign immunity").

243. Cf. *Gibbons v. Ogden*, 22 U.S. (9 Wheat.) 1, 196-97 (1824) (declaring that "[the commerce] power, like all others vested in congress, is complete in itself, may be exercised to its utmost extent, and acknowledges no limitations other than are prescribed in the constitution").

244. See U.S. CONST. amend. XI; see also *Mills Music*, 591 F.2d at 1283, 1286.

state still might impliedly consent to a federal court infringement suit.

### B. Congressional Intent

The next question under the *Parden* analysis is whether the 1909 and 1976 Acts show congressional intent to abrogate eleventh amendment immunity by conditioning a state's participation in the copyright field upon amenability to federal court suit.<sup>245</sup> Traditionally, analysis of congressional intent required an examination of the statutory language and legislative history to determine whether Congress meant to include states within the class of potential defendants when it created a cause of action.<sup>246</sup> The Supreme Court's pronouncements on this issue, however, have been inconsistent.<sup>247</sup>

In *Parden*<sup>248</sup> the FELA<sup>249</sup> created a cause of action against "every common carrier by railroad" engaged in interstate commerce.<sup>250</sup> The Supreme Court found this language sufficiently broad to authorize federal suit against the state.<sup>251</sup> The Court reasoned that, absent express language to the contrary, it should not presume congressional intent to exclude states from the statute's reach.<sup>252</sup>

In *Employees v. Department of Public Health and Welfare*,<sup>253</sup> however, the Court reversed the presumption of congressional intent to subject the states to suit. The *Employees* Court held that "Congress, acting responsibly, would not be presumed to take such

---

245. See *Parden*, 377 U.S. at 192.

246. See *id.* at 187-90; *Employees v. Department of Pub. Health and Welfare*, 411 U.S. 279, 285 (1973); *Atascadero*, 105 S. Ct. at 3147-49; see also *Mills Music*, 591 F.2d at 1284 n.7 (stating that "[t]he class of defendants intended by Congress must be ascertained from the language of the statute, the legislative history of the statute, and the context in which it applies.").

247. See cases cited *supra* note 246. For a general discussion of the rules of statutory construction, see C. D. SANDS, *STATUTES AND STATUTORY CONSTRUCTION* (9th ed. 1975).

248. 377 U.S. 184 (1964). In *Wihtol v. Crow*, 309 F.2d 777 (1962), decided before *Parden*, the court did not discuss the possibility of implied waiver of eleventh amendment immunity. See *supra* note 132.

249. 45 U.S.C. §§ 51-60 (1982); see *supra* notes 54-56 and accompanying text.

250. 45 U.S.C. at §§ 51, 56 (1982); see *Parden*, 377 U.S. at 185-86.

251. *Parden*, 377 U.S. at 187 (stating that "[w]e think that Congress, in making the FELA applicable to 'every' common carrier by railroad in interstate commerce, meant what it said"); *id.* at 189 (recognizing that "[t]he fact that Congress chose to phrase the coverage of the [FELA] in all-embracing terms indicates that state railroads were included within it") (quoting *California v. Taylor*, 353 U.S. 553, 564 (1957)).

252. *Parden*, 377 U.S. at 189-90.

253. 411 U.S. 279 (1973); see *supra* notes 66-73 and accompanying text.

action silently."<sup>254</sup> Although the defendant class under the FLSA included "any employer" who violated the statute, the Court found that this language and the legislative history of the FLSA did not refer to the states.<sup>255</sup> Thus, the *Employees* Court significantly narrowed the *Parden* holding by ruling that congressional intent to nullify constitutional immunity must be apparent from the "clear language" of the statute.<sup>256</sup> Specifically, the Court stated that in the context of the statutory language and the legislative history, the words "any employer" did not evince this intent.<sup>257</sup>

In *Mills Music, Inc. v. Arizona*<sup>258</sup> the Ninth Circuit noted the "sharp contrast"<sup>259</sup> between *Parden* and *Employees*, but chose not to follow *Employees'* presumption in favor of immunity. The court found that the 1909 Act authorized suit against "any person [who] shall infringe," using language apparently as broad and indefinite as the "any employer" language in *Employees*.<sup>260</sup> The court, however, stated that in ascertaining congressional intent, a court should examine "the language of the statute in the context of the activity regulated."<sup>261</sup> The court determined that a narrow construction of statutory intent was necessary in *Employees* because Congress, acting under its broad commerce power, potentially could have placed a great burden on the state treasury.<sup>262</sup> The court, however, reasoned that because the potential financial burden to states would be minimal when Congress acts pursuant to its narrow copyright power, a less strict statutory construction of congressional intent was possible.<sup>263</sup> Thus, in *Mills Music* the court found that broad statutory language weighed against immunity, even though the Supreme Court in *Employees* previously con-

---

254. *Employees*, 411 U.S. at 284-85; see *supra* notes 68-72.

255. *Employees*, 411 U.S. at 285; see 52 Stat. 1069 (codified as amended at 29 U.S.C. §§ 201-19 (1982)).

256. *Employees*, 411 U.S. at 285.

257. *Id.* at 283-85. The Court noted that, unlike the FELA in *Parden*, the FLSA mandated double compensation for successful claimants, potentially creating large fiscal burdens for the states. *Id.* at 284.

In *Edelman v. Jordan*, 415 U.S. 651 (1974), the Court held that a statute that does not expressly create a cause of action shows no congressional intent to abrogate eleventh amendment immunity. *Id.* at 674.

258. 591 F.2d 1278 (9th Cir. 1979); see *supra* notes 133-48 and accompanying text.

259. *Mills Music*, 591 F.2d at 1283 (quoting *Riggle v. California*, 577 F.2d 579, 583 (9th Cir. 1978)).

260. *Mills Music*, 591 F.2d at 1284-85; see *supra* note 141 and accompanying text.

261. *Mills Music*, 591 F.2d at 1284-85.

262. *Id.* at 1285.

263. *Id.*

cluded differently.<sup>264</sup>

In *Johnson v. University of Virginia*<sup>265</sup> a Virginia federal court accepted the *Mills Music* rationale. Examining the 1976 Act, the court held that the defendant class, defined as "anyone [who] infringes," was at least as broad as the "any person [who] infringes" definition of the defendant class contained in the 1909 Act and, therefore, evidenced an intent to include the states.<sup>266</sup> The *Johnson* court assumed, contrary to *Employees* but in accord with *Mills Music*, that the broad language weighed against immunity.<sup>267</sup>

Subsequently, in *Atascadero State Hospital v. Scanlon*<sup>268</sup> the Supreme Court appears to have settled the uncertainty concerning congressional intent. The Court required that congressional intent, in order to make states amenable to suit, must be shown to specifically include the states in the statute's defendant class.<sup>269</sup> Thus, the Court appeared to reaffirm the spirit of *Employees* by demanding that Congress, when desiring to include states in the defendant class, make an express inclusion.<sup>270</sup> In *Richard Anderson Photography v. Radford University*<sup>271</sup> the court incorrectly disregarded the Supreme Court's presumption in favor of immunity and, instead, relied on the discredited rationale of *Mills Music* and *Johnson* to find the statutory defendant class "sufficiently broad to include the States."<sup>272</sup> Despite the court's incorrect reasoning, however, the *Anderson* court reached the correct conclusion on the issue of congressional intent.

*Atascadero* does not prohibit a search of all relevant statutory language in defining the defendant class.<sup>273</sup> Although the 1909 and 1976 Acts do not explicitly include states as potential defendants, the Acts, read as a whole, indicate that Congress specifically intended to include the states in the defendant class.<sup>274</sup> Both Acts create specific exemptions from infringement suits for certain uses

264. See *supra* notes 242-46 and accompanying text.

265. 606 F. Supp. 321 (W.D. Va. 1985); see *supra* notes 162-78 and accompanying text.

266. *Johnson*, 606 F. Supp. at 323-24; see 17 U.S.C. § 501 (1982 & Supp. II 1984).

267. *Johnson*, 606 F. Supp. at 324; see *supra* notes 173-78 and accompanying text.

268. 105 S. Ct. 3142 (1985).

269. *Id.* at 3149; see *supra* text accompanying note 117.

270. *Atascadero*, 105 S. Ct. at 3149.

271. 633 F. Supp. 1154 (W.D. Va. 1986).

272. *Id.* at 1159.

273. See Supplemental Brief on Appeal of Amici Curiae at 12, *Mihalek Corp. v. Michigan*, 595 F. Supp. 903 (E.D. Mich. 1984), appeal docketed, No. 85-1593 (6th Cir. July 23, 1985) (stating that "nowhere does the *Atascadero* opinion limit the inquiry to a single section of the Copyright Act.").

274. See, e.g., *Mills Music*, 591 F.2d at 1284 n.7; *supra* note 246.

of copyrighted works by various parties, including state agencies.<sup>275</sup> For example, the 1976 Act provides that unauthorized importation of copies of works acquired outside the United States constitutes copyright infringement.<sup>276</sup> The Act, however, generally exempts the "importation of copies or phonorecords under the authority or for the use of . . . any State or political subdivision of a State."<sup>277</sup> One plaintiff argued that "the exemptions and exceptions carefully carved out by Congress would not be necessary if Congress did not clearly intend the States and their political subdivisions be subject to the [1976] Act."<sup>278</sup> Assuming that this statutory language is not superfluous, Congress evidently intended states to be immune from copyright suits in federal court only when Congress specifically provides a statutory exemption.<sup>279</sup> Thus, by the text's negative implication, which leaves "no room for any other reasonable construction,"<sup>280</sup> the states have been included in the defendant class of both Acts with sufficient specificity to evince clear congressional intent.

---

275. "The [1976] Act . . . contains at least seven express exemptions from suit for infringement for state agencies, applicable in specific, narrowly defined circumstances . . . ." Supplemental Brief on Appeal of Amici Curiae at 6, *Mihalek*, No. 85-1593; see 17 U.S.C. §§ 107 ("Limitation of exclusive rights: Fair use"); 110(6) ("Limitations on exclusive rights: Exemption of certain performances and displays"); 111(a) ("Limitations on exclusive rights: Secondary transmissions"); 112(b) ("Limitations on exclusive rights: Ephemeral recordings"); 118(d)(3) ("Scope of exclusive rights: Use of certain works in connection with noncommercial broadcasting"); 601(b) ("Manufacture, importation, and public distribution of certain copies"); 602(a) ("Infringing importation of copies or phonorecords") (1982).

Similarly, the 1909 Act exempts from its importation prohibition the good faith use of one copy of a book by, among other institutions, "any State, school, college, university, or free public library in the United States." See 17 U.S.C. § 107 (1976).

276. See 17 U.S.C. § 602(a) (1982).

277. *Id.* § 602(a)(1).

278. Appellants' Brief on Appeal at 15, *Mihalek*, No. 85-1593.

279. See *id.* at 14. One can argue, however, that to the extent that these provisions protect local school districts and local and county governments, which are not immune from federal court suit under the eleventh amendment, see *supra* note 207, the specific statutory exemptions are not superfluous. See *supra* notes 275-78 and accompanying text.

280. *Atascadero*, 105 S. Ct. at 3146 (quoting *Edelman v. Jordan*, 415 U.S. 651, 673 (1974)).

Professor Nimmer has stated that "since nothing in the Copyright Act purports to immunize state entities from liability, the Supremacy Clause of the Constitution prevents state impairment of this federal law. This principle has been expressly invoked in copyright cases not involving the sovereign immunity issue." 3 M. NIMMER, NIMMER ON COPYRIGHT § 121.01[E][2][a], at 12-19 (1986).

### C. Implied Waiver

Because the 1909 and 1976 Acts meet the specificity test of *Atascadero*, the only remaining question under the three-part *Parden* analysis is whether a state, by its actions, impliedly has consented to suit in federal court. In *Parden* the Court held that, given congressional intent to nullify eleventh amendment immunity, the state's subsequent activity in the regulated area of interstate commerce implied the requisite consent to federal jurisdiction.<sup>281</sup> Similarly, the *Mills Music* court found implied waiver of constitutional immunity by the state's entry "in[to] an activity regulated by federal [copyright] law."<sup>282</sup> An examination of the relevant facts and language in later cases, however, indicates that the *Mills Music* rationale is of doubtful validity for two reasons. The issue centers on when "engaging" in the federally regulated activity of copyright use constitutes voluntary submission to federal jurisdiction.<sup>283</sup>

First, as the *Anderson* court recently noted, the Supreme Court requires that "an unequivocal indication" of implied consent to federal suit "clearly appear from the circumstances."<sup>284</sup> A state's use of copyrighted works—the federal activity in which it engages—does not "clearly" and "unequivocally" evince this consent. The *Anderson* court declared that for a state's actions truly to imply consent, the state "must have had a choice to act or not act."<sup>285</sup> The court correctly concluded that the states, as a practical matter, have no choice but to utilize copyrighted material in carrying out the basic functions of government.<sup>286</sup> Congress could not effectively prevent the states from using those materials; the workings of state government quickly would grind to a halt if Congress could prevent the availability of copyrighted works such as books, films, computer software, and maps. For this reason, the necessary use of these works in carrying out state governmental functions fundamentally differs from the discretionary operation of a railroad, the activity from which the *Parden* Court first implied waiver.<sup>287</sup>

281. *Parden*, 377 U.S. at 192-93; see *supra* notes 61-65 and accompanying text.

282. *Mills Music*, 591 F.2d at 1283, 1286; see *supra* note 142 and accompanying text.

283. See *Parden*, 377 U.S. at 193 & n.11.

284. *Anderson*, 633 F. Supp. at 1159 (citing *Atascadero*, 105 S. Ct. at 3145 n.1).

285. *Anderson*, 633 F. Supp. at 1159.

286. *Id.* at 1159-60.

287. In his concurrence in *Employees v. Department of Pub. Health and Welfare*, 411 U.S. 279 (1973), Justice Marshall said, "To suggest that the State had the choice of either ceasing operation of these vital public services or 'consenting' to federal suit suffices . . . to demonstrate that the State had no true choice at all and thereby that the State did not



Second, the cases following *Parden* have limited the factual settings in which waiver will be implied. Although *Parden* concerned permission to operate a railroad, the *Anderson* court observed that implied waiver cases usually arise in the narrow context "of a state's accepting or rejection of a federally provided benefit."<sup>288</sup> In *Atascadero* the Supreme Court noted that a state may consent to federal court suit either expressly "or by otherwise waiving its immunity to suit in the context of a particular federal program."<sup>289</sup> Thus, the Court appears implicitly to have limited *Parden*, suggesting that waiver of constitutional immunity in the future would be implied only when a state accepts, under a federal program, a benefit that Congress could have withheld. Because a state's use of copyrighted works does not fall within this narrow context, consent to federal court suit cannot be implied under *Atascadero*.<sup>290</sup> The *Mills Music* and *Johnson v. University of Virginia*<sup>291</sup> rationale, therefore, no longer is valid. A state does not impliedly waive its constitutional immunity from infringement suits in exchange for the availability of copyrighted works.<sup>292</sup>

---

voluntarily consent to the exercise of federal jurisdiction." *Id.* at 296 (Marshall, J., concurring); see *Anderson*, 633 F. Supp. at 1157 n.6 (requiring that a "State's consent must not be illusory").

288. *Anderson*, 633 F. Supp. at 1159; see *Atascadero*, 105 S. Ct. at 3142 (federal financial assistance under the Rehabilitation Act of 1973); *Edelman v. Jordan*, 415 U.S. 651 (1974) (federal funding under AABD). The *Anderson* court noted that "*Parden* is difficult to reconcile with some of the Court's later cases . . . which seem to evidence a greater reluctance on the part of the Court to find an implied waiver." *Anderson*, 633 F. Supp. at 1159; see *Welch v. State Dep't of Highways and Transp.*, 780 F.2d 1268 (5th Cir.) (en banc) (holding broad sweep of *Parden* limited by later Supreme Court opinions, including *Atascadero*), cert. granted, 107 S. Ct. 58 (1986); *Anderson*, 633 F. Supp. at 1159 n.12.

289. *Atascadero*, 105 S. Ct. at 1435 n.1. Significantly, in *Atascadero* the Supreme Court did not cite *Parden* in its discussion of implied consent. See *id.* at 3149-50.

290. But see Supplemental Brief on Appeal of *Amici Curiae* at 7, *Mihalek*, No. 85-1593 (urging that "[t]here is . . . a world of difference between a state's passive receipt of federal funds and a state's active infringement of a copyright . . . The former may well be found not [sic] imply a waiver of immunity, while the latter surely does constitute 'purposeful activity' implying waiver").

291. 606 F. Supp. 321 (W.D. Va. 1985); see *supra* notes 162-78 and accompanying text. The *Johnson* court accepted the *Mills Music* rationale.

292. See *Parden*, 377 U.S. at 192. One can argue, however, that a state instrumentality that not only uses a copyrighted work without authority, but also attempts to register the work as its own, see 17 U.S.C. §§ 408-412 (1982) (covering registration of copyrights), may have impliedly waived constitutional immunity; an infringer's registration arguably is analogous to *Parden*'s requirement of participation in a federally regulated activity, see *supra* note 64 and accompanying text. Telephone conversation with Frank R. Jakes, attorney with Shackleford, Farrior, Stallings & Evans, Tampa, Fla. (Nov. 26, 1986).

*D. Unilateral Congressional Abrogation of Eleventh  
Amendment Protection*

Absence of implied consent does not always preclude suits against the states in federal court. In *Fitzpatrick v. Bitzer*<sup>293</sup> the Supreme Court held that a statute passed pursuant to the fourteenth amendment could subject states to suit in federal court because the eleventh amendment is inherently subordinate to the fourteenth amendment.<sup>294</sup> Thus, in the context of fourteenth amendment legislation, state consent to federal jurisdiction is unnecessary if a plaintiff sufficiently demonstrates congressional intent to nullify constitutional immunity.

The *Mills Music* court, extending the *sui generis Fitzpatrick* holding beyond its fourteenth amendment context, stated that the eleventh amendment also is inherently subordinate to the copyright and patent clause.<sup>295</sup> If the court's determinations were valid, inquiry into state consent to federal infringement suits also would be unnecessary as long as statutory intent to allow these infringement suits existed. The requisite congressional intent to include states in the defendant class is specified sufficiently in both the 1909 and 1976 Acts.<sup>296</sup>

Because, however, the Supreme Court expressly limited its *Fitzpatrick* holding to statutes passed pursuant to the fourteenth amendment,<sup>297</sup> *Mills Music's* expansive reading appears to be "constitutionally impermissible."<sup>298</sup> The *Woelffer v. Happy States of America, Inc.*<sup>299</sup> court noted this probability. In *County of Oneida v. Oneida Indian Nation*<sup>300</sup> the Supreme Court cited the *Mills Music* holding on congressional abrogation of eleventh amendment immunity, but refused to decide whether the *Mills Music* rationale was correct.<sup>301</sup> Thus, the Court left open the possibility that congressional intent and statutory violation alone were

293. 427 U.S. 445 (1976); see *supra* notes 80-88 and accompanying text.

294. *Id.* at 456; see *supra* notes 86-88 and accompanying text.

295. See *supra* notes 143-46 and accompanying text. In *Johnson v. University of Virginia*, 606 F. Supp. 321 (W.D. Mich. 1985), the court accepted the *Mills Music* reasoning without discussing *Fitzpatrick*. See *id.* at 322-24.

296. See *supra* notes 245-80 and accompanying text.

297. *Fitzpatrick*, 427 U.S. at 456.

298. See *id.*

299. 626 F. Supp. 499, 503-05 (N.D. Ill. 1985); see *supra* notes 191-94 and accompanying text.

300. 470 U.S. 226 (1985).

301. *Id.* at 252; see *supra* notes 105-09 and accompanying text.

sufficient in infringement suits to force a state into federal court.<sup>302</sup>

More recently, however, the *Atascadero*<sup>303</sup> Court reiterated that *Fitzpatrick* was limited to legislation passed under the fourteenth amendment.<sup>304</sup> As the *Mihalek* and *Anderson* courts correctly concluded, Congress, acting pursuant to the copyright and patent clause, has no power to unilaterally abrogate a state's eleventh amendment immunity.<sup>305</sup> State consent, express or implied,

302. Taken literally, this analysis presents trial courts with the problem of requiring that the jurisdictional question be answered based on a determination of a state's liability for a statutory violation. As a practical matter, a federal court obviously cannot find liability for copyright infringement until it first decides whether it has jurisdiction over the defendant state.

303. 105 S. Ct. 3142 (1985).

304. The Court said, "There are . . . certain well-established exceptions to the reach of the Eleventh Amendment. For example, . . . when acting pursuant to § 5 of the Fourteenth Amendment, Congress can abrogate the Eleventh Amendment without the States' consent." *Id.* at 3145-46; see *supra* notes 110-21 and accompanying text. But see Gibbons, *supra* note 4, at 2004 (arguing that the Supreme Court should "acknowledg[e] that Congress can eliminate state immunity with respect to any subject on which it has legislative authority"); Reply Brief on Appeal of Appellant at 18, *Cardinal Indus., Inc. v. Anderson Parrish Assocs., Inc.*, No. 83-1038-Civ-T-13, slip op. (M.D. Fla. Sept. 6, 1985), *aff'd*, No. 86-3354 (11th Cir. Jan. 27, 1987) (per curiam) (stating that "[t]here is no statement in *Atascadero* . . . which holds . . . that only when Congress is acting pursuant to Sec. 5 of the Fourteenth Amendment may Congress abrogate Eleventh Amendment immunity"); *supra* notes 196-205 and accompanying text.

One commentator notes that the *Atascadero* holding "was premised on the availability of state courts to entertain such suits." W. PATRY, *supra* note 14, at 272 n.70; see *Atascadero*, 105 S. Ct. at 3146 n.2 (recognizing that "the issue is not the general immunity of the States from private suit . . . but merely the susceptibility of the States to suit before federal tribunals") (quoting *Employees v. Department of Pub. Health and Welfare*, 411 U.S. 279, 293-94 (1973) (Marshall J., concurring in the result)). Because 28 U.S.C. § 1338(a) (1982) gives federal courts exclusive jurisdiction of copyright suits and prohibits these suits in state courts, "[a]pplying the *Atascadero* . . . holding to a copyright suit against a state would . . . result in no forum for infringement of a federal right." W. PATRY, *supra* note 14, at 272 n.70. While the question remains whether Congress contemplated and intended such a result, one party has noted that the Supreme Court apparently has never "upheld an Eleventh Amendment bar where Congress has granted exclusive federal court jurisdiction." Supplemental Brief on Appeal of Amici Curiae at 9, *Mihalek*, No. 85-1593; see *infra* notes 311-14 and accompanying text.

305. See *Mihalek*, 595 F. Supp. at 906-06; *Anderson*, 633 F. Supp. at 1158; cf. Wolcher, *supra* note 33, at 207 n.66 (noting arguable theory that "Congress' art. 1 powers antedate the eleventh amendment and might therefore be seen as having been impliedly limited by it," and that "unlike the fourteenth amendment . . . , Congress' art. 1 powers do not 'by their own terms embody limitations on state authority'") (quoting *Fitzpatrick*, 427 U.S. at 456).

One can argue, however, that state copyright infringement does constitute a fourteenth amendment violation. The fifth amendment proscription that "private property [shall not] be taken for public use, without just compensation," U.S. CONST. amend. V, has been applied to the states through the fourteenth amendment. See *Penn Central Transp. Co. v. New York City*, 438 U.S. 104 (1978). This argument fails, however, because the Supreme Court has recognized a fourteenth amendment limitation on constitutional immunity only

remains a necessary ingredient to nullify constitutional immunity in infringement cases. In addition, consent is not implicit in the mere violation of a federal copyright statute.<sup>306</sup> Because state consent to federal jurisdiction is absent, a state's alleged infringement, without more, does not constitute implied waiver. The eleventh amendment, therefore, continues to protect states from copyright infringement suits in federal court.

### E. A Proposed Solution

Copyright proponents might argue that because infringement claims are exclusive to the federal courts,<sup>307</sup> the foregoing analysis would leave owners of works infringed by states a right without a

---

when Congress expressly limits such protection by "appropriate legislation." See, e.g., *Atascadero*, 105 S. Ct. at 3145 (quoting *Fitzpatrick*, 427 U.S. at 456); see also *Porter v. United States*, 473 F.2d 1329, 1337 (5th Cir. 1973) (holding that "[copyright] infringement is not a 'taking' as the term is constitutionally understood . . . [and that] infringement of copyright . . . constitutes a tort"). But see *Lemelson v. Ampex Corp.*, 372 F. Supp. 708 (N.D. Ill. 1974) (holding that patent infringement constituted "unlawful taking"). Alternatively, a potential claim that infringement constitutes a deprivation of civil rights under color of state law, see 42 U.S.C. § 1983 (1982), would not override automatically a state's eleventh amendment immunity. See *Quern v. Jordan*, 440 U.S. 332, 342 (1979) (holding that 42 U.S.C. § 1983 does not abrogate eleventh amendment immunity). Thus, a claim of "taking" or of a § 1983 violation by a state, to be brought in federal court, still might require a finding of state waiver of constitutional immunity.

However, in *Maine v. Thiboutot*, 448 U.S. 1 (1980), the Supreme Court ruled that § 1983 was available to remedy violations of federal statutory rights by state agents. The availability of this remedy was limited in a later Supreme Court case. In *Middlesex County Sewerage Auth. v. National Sea Clammers Ass'n*, 453 U.S. 1 (1981), the Court held that a comprehensive remedial scheme provided by Congress precludes additional private remedies under § 1983. The 1976 Act can be viewed as a "comprehensive remedial scheme," thereby making § 1983 unavailable in copyright infringement suits against states. But see *Wright v. City of Roanoke Redevelopment and Hous. Auth.*, 55 U.S.L.W. 4119 (U.S. Jan. 14, 1987) (No. 85-5915) (holding that the Housing Act and the Brooke Amendment are not sufficiently comprehensive to indicate a congressional intent to preclude § 1983 claims to enforce tenants' federal statutory rights).

Under Justice Brennan's revisionist interpretation of the eleventh amendment, see *supra* note 118, which has not been accepted by a majority of the Court, federal court infringement suits against the states could be brought under a statute passed pursuant to the copyright and patent clause. Dissenting for a minority of four in *Atascadero*, Justice Brennan stated that "[i]f federal jurisdiction is based on the existence of a federal question . . . , the Eleventh Amendment has no relevance. There is thus no Article III limitation on otherwise proper suits against States by citizens, non-citizens, or aliens . . . ." *Atascadero*, 105 S. Ct. at 3178 (Brennan, J., dissenting); see also *W. PATRY, supra* note 14, at 272 n.70 (stating that "copyright suits are based on a constitutional right (Article I § 8 cl. 8), ceded by the states to the federal government and thus cannot be said to 'implicate[] the fundamental constitutional balance between the Federal government and the states'" (quoting *Atascadero*, 105 S. Ct. at 3145-46).

306. See *Parden*, 377 U.S. at 192; *supra* notes 273-80 and accompanying text.

307. See 28 U.S.C. § 1338(a) (1982).

remedy.<sup>308</sup> While the Supreme Court in *Parden* stated that such a "pointless and frustrating" result would be surprising,<sup>309</sup> the *Employees* Court stated that it also would be surprising to infer abrogation of constitutional immunity without a showing of clear congressional intent.<sup>310</sup> Viewing the 1909 and 1976 Acts in conjunction with Supreme Court implied immunity holdings, the analyses suggested by *Parden*, *Fitzpatrick*, and later cases lead to the conclusion that Congress does not have the power to effect, nor did the states consent to, abrogation of eleventh amendment protection in infringement cases. The correct legal analysis, however, does not necessarily lead to the proper outcome. Copyright protection against the states remains a legitimate economic concern to owners.

Two possible judicial and legislative approaches could provide this protection. Federal courts might follow *Mills Music's* expansion of the *Fitzpatrick* holding and find congressional power to unilaterally nullify the eleventh amendment in the copyright field. The right to sue infringing states in federal court, however, would come at a great cost. Allowing federal suit against nonconsenting states whenever Congress desired would render the eleventh amendment practically void. This expansion of *Fitzpatrick* arguably would allow Congress, when acting pursuant to its article I powers, to unilaterally nullify sections of the Constitution at will—a clearly unconstitutional result.<sup>311</sup>

Conversely, eleventh amendment immunity need not preclude vindication of the copyright owner's rights. Because the 1909 and 1976 Acts have nullified common law sovereign immunity in infringement cases,<sup>312</sup> a copyright claim could be brought in state court if federal court copyright jurisdiction were no longer exclusive, but merely concurrent with state court jurisdiction.<sup>313</sup> In fact, many states expressly have waived tort liability in state constitutions, statutes, and judicial decisions.<sup>314</sup> Thus, in order to afford

---

308. See, e.g., Appellant's Brief on Appeal at 9-10, *Mihalek*, No. 85-1593. In addition, the eleventh amendment remains a bar where federal courts are given exclusive jurisdiction not by Congress, but by the Constitution itself, as in *in rem* admiralty cases. See U.S. CONST. art. III, § 2; *In re State of New York*, 256 U.S. 490 (1921).

309. *Parden*, 377 U.S. at 190, 197.

310. *Employees*, 411 U.S. at 285.

311. See U.S. CONST. art V (detailing procedure for amending U.S. Constitution).

312. See *supra* notes 237-44 and accompanying text.

313. See 28 U.S.C. § 1338(a) (1982) (containing exclusive federal copyright jurisdiction).

314. See, e.g., ALASKA CONST. art II, § 21 (outlining the procedure and requirements

copyright owners a remedy when their rights are infringed by a state, Congress need only amend the jurisdictional statute for copyright claims.<sup>315</sup>

While exclusive jurisdiction empowering only federal courts to hear copyright claims may guarantee parties the expertise of a judge familiar with issues of federal law, state court judges are not incompetent to hear copyright cases. State courts, for example, often entertain pendant federal questions.<sup>316</sup> Although granting state courts the sole jurisdiction to hear federal copyright claims against the states appears anomalous, an exception to the jurisdictional statute would provide at least some forum to hear otherwise unvindicated federal copyright claims.<sup>317</sup> Theoretically, this solution is more sound than amending the 1976 Act to specifically include states as defendants. In light of current Supreme Court eleventh amendment jurisprudence, a statutory amendment to the 1976 Act would rest upon the incorrect premise that Congress has the power to abrogate nonconsenting states' eleventh amendment immunity in the copyright field.<sup>318</sup>

---

for private suits against the state); HAWAII REV. STAT. §§ 662-2, -3 (1984) (granting tort immunity waiver and vesting state circuit courts with exclusive jurisdiction to entertain claims); *Lockaby v. Wayne County*, 406 Mich. 65, 276 N.W.2d 1 (1979) (allowing relief for intentional torts by the state). See generally Note, *supra* note 10, at 526-37.

315. One party has argued:

While 28 U.S.C. § 1338(a) grants federal courts exclusive jurisdiction over federal statutory copyright infringement actions, such was not always the case. Prior to 1870 state courts had concurrent jurisdiction for all copyright infringement lawsuits. *Woolsey v. Judd*, 11 How. Pr. 49, 52 (N.Y. Sup. Ct. 1855) . . . ; see Revised Statutes § 711 (1906); Act of July 8, 1870, ch. 230, 16 Stat. 215; *Boucicault v. Fox*, 3 F. Cas. 977, 981 (C.C.S.D.N.Y. 1862) (No. 1,691) ("the jurisdiction of the state courts, in suits to protect the owners of manuscripts, is complete"). Thus, a copyright owner's inability to seek redress against an infringing state is not the fault of the Eleventh Amendment, but rather of Congress due to its refusal to grant state courts concurrent jurisdiction.

Brief on Appeal of Appellee at 29, *Cardinal Indus.*, No. 86-3354.

Although the success of this tactic appears improbable, a copyright owner also could seek passage of a private bill in the state legislature granting compensation for state infringement.

316. See, e.g., *Smith v. Bull Run School Dist.* No. 45, 722 P.2d 27, 29 (Ore. App. 1986) (deciding appeal concerning claims against a school district under federal equal pay statutes, passed pursuant to the commerce clause, which would be barred from federal court by the eleventh amendment). In addition, state courts have concurrent jurisdiction over trademark infringement cases arising under the Lanham Act. See *Flagship Real Estate Corp. v. Flagship Banks, Inc.*, 374 So. 2d 1020 (Fla. Dist. Ct. App. 1979); 1 J. GIBSON, *TRADEMARK PROTECTION AND PRACTICE* § 8.02 (1985).

317. See *Atascadero*, 105 S. Ct. at 3146 n.2 (stating that "[i]t denigrates the judges who serve on the state courts to suggest that they will not enforce the supreme law of the land") (citing, *inter alia*, *Martin v. Hunter's Lessee*, 1 Wheat. 304, 341-344 (1816)).

318. See *supra* notes 293-306 and accompanying text.

## V. CONCLUSION

The recently renewed but judicially unresolved debate concerning copyright protection against infringement by the states brings into sharp focus the competing values expressed in the eleventh amendment and the copyright and patent clause. The current proliferation of copyright infringement suits against states requires timely resolution of the immunity issue. A proper resolution will serve not only the federal government's interests in promoting both federalism and individual creativity, but also the copyright owner's economic interests. One must assume that Congress, by granting federal courts exclusive jurisdiction to hear copyright cases, intended, in light of the eleventh amendment, to preclude federal court copyright suits against states. Instead of the drastic course followed in *Mills Music*, amendment of the jurisdictional statute would afford copyright owners relief from state infringement while avoiding the otherwise inevitable evisceration of the eleventh amendment. Accordingly, this Recent Development concludes that Congress should amend 28 U.S.C. § 1338(a) to provide that private individuals may sue infringing states in state court for copyright infringement. This approach best reconciles the conflict between a proprietor's interest in his work, protected by the 1909 and 1976 Acts, and the states' immunity from suit in federal court, guaranteed by the eleventh amendment.

*John C. Beiter\**

---

\* This Article has been submitted in an abridged form to the 1987 Nathan Burkan Memorial Competition sponsored by the American Society of Composers, Authors, and Publishers. All rights reserved.

Paul P. Massa  
President

January 13, 1988

Office of the General Counsel  
Copyright Office  
Library of Congress  
Department 100  
Washington, D. C. 20559

GENERAL COUNSEL  
OF COPYRIGHT

JAN 25 1988

RECEIVED

Comment Letter

RM 87-5

No. 3

Dear Ms. Schrader:

I am writing in response to the Request for Information on the Eleventh Amendment. We feel the most important issue affecting U.S. copyright policy is the matter of claims of immunity against damages for infringement of copyrighted works.

Congressional Information Service, Inc. -- a private sector information company -- is a member of the Information Industry Association (IIA), and we agree with the legal views expressed by the IIA in friend of the court briefs filed in Virginia and California. We have always assumed, and we believe that it was Congress' intent, that states and their instrumentalities, like everyone else, are subject to the copyright law. Therefore, we believe that the plaintiffs should prevail on the merits of this issue.

A very substantial portion of our business is derived from state governments and state-funded instrumentalities. If these organizations are permitted to bypass the copyright laws, our business would be significantly damaged. The loss of multiple subscriptions and multiple copy sales of non-subscription publications would force us to increase prices significantly. The result would be higher prices for private sector customers because of the copyright dispensation for state governments and their entities.

We appreciate the consideration you will give our views, and I will be happy to answer any further questions you or your staff might have.

Sincerely,

*Paul P. Massa*

Enclosure: CIS Catalog



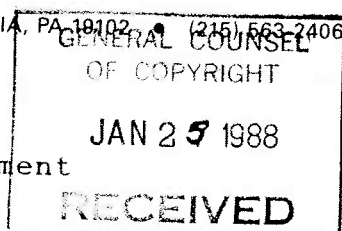


NATIONAL FEDERATION OF ABSTRACTING & INFORMATION SERVICES

January 14, 1988 1429 WALNUT STREET • PHILADELPHIA, PA 19102 • (215) 563-2406

Comment Letter

Docket Number R1 87-5  
Request for Information, Eleventh Amendment  
Copyright Office, Library of Congress



RM 87-5

No. 4

The National Federation of Abstracting and Information Services (NFAIS) is an organization of publishers, disseminators, and users of copyrighted media, chiefly secondary information publications and computer databases.

NFAIS is seriously concerned about the threat to its members' copyright protection posed by recent court decisions, which have held that the Copyright Statute (Title 17) does not override the Eleventh Amendment immunity provisions to states. If necessary, we strongly urge you to assist Congress in adding specific language to the Statute so that the clear intent thereof is not reversed or misinterpreted.

NFAIS members scan the pertinent literature in the areas of their subject interest and prepare abstracts, indexes, and other access tools so as to make the information available to their various audiences. This information is meaningfully arranged in printed publications and computer databases. They copyright the products of this intellectual effort which are widely used by state agencies, colleges, and universities.

It is ironic, in light of the fact that many NFAIS members afford state educational organizations favorable subscription/purchase rates,

EXECUTIVE DIRECTOR, Betty Unruh

PRESIDENT

Ronald G. Dunn  
American Chemical Society

PRESIDENT-ELECT

Barbara Lawrence  
American Institute of  
Aeronautics and Astronautics

SECRETARY

Barbara M. Preschel  
Public Affairs Information  
Service

TREASURER

Kent A. Smith  
National Library of Medicine

IMMEDIATE PAST PRESIDENT

Herbert B. Landsu  
Engineering Information, Inc.

DIRECTORS

Bonnie Lawlor  
Institute for Scientific  
Information

John J. Regazzi  
The H.W. Wilson Company

Nancy G. Vaupel  
Industrial Technology  
Institute

Van A. Wentz  
National Aeronautics and  
Space Administration

Irving Zarember  
American Petroleum  
Institute

Elizabeth M. Zipf  
BioSciences Information  
Service

that these states invoke the Eleventh Amendment to invalidate copyright protection. Congress, in writing the Copyright Statute, provided liberal exemptions for educational and library use, but it certainly never intended to exempt such groups entirely from complying with the Copyright Statute. Continued states immunity from copyright restriction and payments (where applicable) would severely undermine the economic base of NFAIS members, endangering the ongoing provision of materials essential in academic programs of education and research.

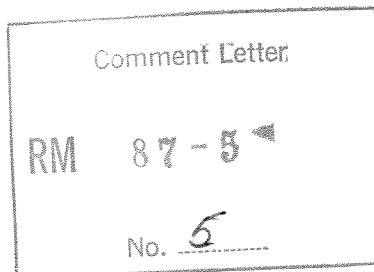
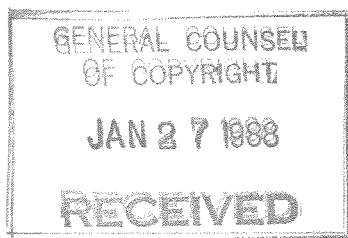
A word on fair use. In this area, our members have long interacted vigorously with their users; many services have developed policies and programs in such technological areas as computer "downloading." NFAIS members were also among the first to produce such user-convenience tools as microfilm and to establish rules and, in some cases, fees for their extensive use. Moreover, as mentioned, some NFAIS members have granted educational institution discounts. Reasonable fair use, however, cannot be confused with states immunity from copyright compliance and ought not to be allowed to cloud the basic issue.

NFAIS members, publishers of secondary information publications, include the nation's leading scientific and engineering societies, private information industry companies, and government agencies. We are attaching a brochure that will better explain what NFAIS is.

We applaud the Copyright Office's undertaking of this study, which we hope will result in positive action to remedy what may be an important flaw in the wording of the Copyright Statute. On behalf of our members, we offer our services to the Copyright Office in providing further information and/or comments that will aid you in dealing with this serious problem.

615 MERRICK AVENUE  
WESTBURY, N. Y. 11590  
TEL (516) 832-6950  
TELEX 960-216

## THE FOUNDATION PRESS, INC.



### UNIVERSITY CASEBOOK SERIES EDITORIAL BOARD

DAVID L. SHAPIRO  
DIRECTING EDITOR, HARVARD  
EDWARD L. BARRETT, JR.  
UNIVERSITY OF CALIFORNIA, DAVIS  
ROBERT C. CLARK  
HARVARD  
OWEN M. FISS  
YALE  
JEFFERSON B. FORDHAM  
UNIVERSITY OF UTAH  
GERALD GUNTHER  
STANFORD  
HARRY W. JONES  
COLUMBIA  
HERMA HILL KAY  
UNIVERSITY OF CALIFORNIA, BERKELEY  
PAGE KEETON  
UNIVERSITY OF TEXAS  
ROBERT L. RABIN  
STANFORD  
JOHN RITCHIE  
UNIVERSITY OF VIRGINIA  
CAROL M. ROSE  
NORTHWESTERN  
SAMUEL D. THURMAN  
HASTINGS

January 20, 1988

Ms. Dorothy M. Schrader  
General Counsel  
U.S. Copyright Office  
Room 407  
James Madison Memorial Building  
First Street and Independence Avenue, S.E.  
Washington, D. C. 20540

Dear Ms. Schrader:

The Foundation Press, Inc. is submitting the following comments in response to the Copyright Office's Request for Comments regarding the Eleventh Amendment contained in the November 2, 1987 edition of the Federal Register. Foundation Press is a relatively small publisher of textbooks and treatises for the law school market. We sell mainly to law libraries (both those that are part of law schools and others) and to law school bookstores who in turn resell to students.

We view the recent decisions holding that States may not be liable for damages for copyright infringement with alarm. While we believe that such decisions are wrong and hope that they will be corrected on appeal, we are also aware that legislation may be necessary to reaffirm that the Copyright Act is the supreme law of the land and that the States are governed by it. Therefore, we wish to provide input that may be helpful to the Copyright Office and Congress if such legislation proves necessary.

If such decisions are upheld, it would enable a State, with practical impunity, to purchase one copy of one of our books and then produce its own copies thereof for all State funded law libraries and for distribution to students at State funded law

PUBLISHERS OF QUALITY LEGAL MATERIALS


PAGE TWO

schools (of course, such provision and distribution could be even wider and could include provision of such copies to other entities within a State and even other States). Such a situation would effectively render our business impossible to operate profitably and thus drive us out of business. Specifically, while I understand that States are subject to actions for injunctions, a small company such as ours could not afford to pursue even a small number of States for injunctive relief if there was not also the opportunity to collect the damages we had suffered.

We appreciate the Copyright Office's interest in this issue and the opportunity to submit our views.

Sincerely,

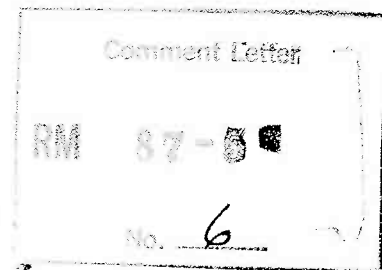
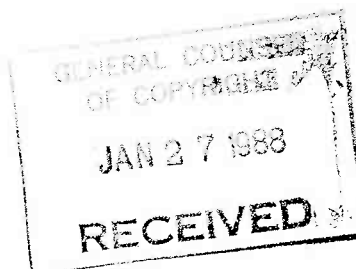
HRE/hb

  
Harold R. Eriv,  
President

# Dun & Bradstreet, Inc.

**BB** a company of  
The Dun & Bradstreet Corporation

A. Buffum Lovell  
Senior Vice President & General Counsel



One Diamond Hill Road  
Murray Hill, NJ 07974-0027  
201-665-5150

January 19, 1988

Dorothy M. Schrader, Esq.  
General Counsel  
Department 100  
Copyright Office Room 401  
James Madison Memorial Building  
First Street and Independence Avenue, S.E.  
Washington, DC 20540

Re: State Claims of Sovereign Immunity Against Copyright Liability

Dear Ms. Schrader:

Dun & Bradstreet appreciates the opportunity to comment on the Request for Information on the Eleventh Amendment. We view the matter of claims of immunity against damages for infringement of copyrighted works as a high priority issue in domestic U.S. copyright policy.

At the outset, we would like to state that we are members of the Information Industry Association ("IIA") and we join in the legal views expressed by the IIA in friend of the court briefs filed in Virginia and in California. We had always assumed, as we believed had Congress, that states and their instrumentalities, like everyone else, are subject to the copyright law. We believe that the plaintiffs should prevail on the merits of this issue.

At the same time, we wish to respond specifically to the questions which were posed in the Request for Information. Since 1841, Dun & Bradstreet has played a major role in providing information to the business community. In recent years, we have significantly increased the scope of our services by providing computer systems' software products for use on data-processing systems. Dun & Bradstreet is committed to the pursuit of business opportunities that are associated with the creation, distribution and use of information. Our Company has made a substantial investment in creating, marketing and utilizing databases which are protected by copyright and which provide all sectors of society, including state governments, with valuable information.

Dorothy M. Schrader, Esq.  
Page Two, continued  
January 19, 1988

If the Virginia and California decisions are upheld, it will have serious repercussions on our Company. States will be able to acquire one copy or subscription of a copyrighted work and then copy or download it at will. No state agency will have any reason or incentive to negotiate for a multiple copy rate or a site license. States would then be free to do what businesses that contract for our services are not free to do; make unlimited copies of our work. Copyright owners' ability to obtain injunctions against continued use, is not, by itself, a viable solution. This would allow the states to continue to use the copyrighted works until they get caught by the proprietors. It is unthinkable to ask companies that make their livelihood by creating and exploiting copyrightable works to spend a large percentage of their resources policing state governments.

Information companies will not be the only losers if the sovereign immunity claims of the states are allowed to stand. The potential loss to the copyright owners creates a disincentive to continue to market their products to the states. Companies would abandon their attempts to serve state and local markets for more profitable fields, and the states would no longer have a source of outside information. For example, one state agency which evaluates applicants wishing to self-insure their Worker's Compensation responsibility, currently subscribes to a Dun & Bradstreet service which analyzes the applicant's short-term and long-term liquidity needs and capabilities. This analysis takes information provided to the state by the applicant. It evaluates it against industry-specific information developed by Dun & Bradstreet and processes it through Econometric Models developed by Dun & Bradstreet for the Federal Government. We understand that this state agency has found this information service worthwhile and cost effective. Were Dun & Bradstreet to choose not to make its information service available to states because of the copyright concerns, state agencies would have to look elsewhere for this information, develop the information themselves or do without it.

For the foregoing reasons, we submit that state claims of sovereign immunity constitute an invasion of private property rights and will severely impair the marketing of information products. We thank you for giving us the opportunity to present our views and we hope that these comments by Dun & Bradstreet will be of assistance in your study of this issue.

Sincerely,



A. Buffum Lovell

ABL:mrđ



Comment Letter

RM 87-5

No. 2

Mary Sue Terry  
Attorney General

H. Lane Kneeder  
Chief Deputy Attorney General

COMMONWEALTH of VIRGINIA  
Office of the Attorney General

January 7, 1998

R. Claire Guthrie  
Deputy Attorney General  
Human & Natural Resources Division

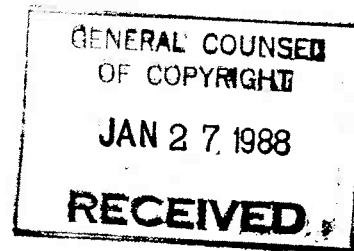
Gail Stirling Marshall  
Deputy Attorney General  
Judicial Affairs Division

Walter A. McFarlane  
Deputy Attorney General  
Finance & Transportation Division

Stephen D. Rosenthal  
Deputy Attorney General  
Criminal Law Enforcement Division

Deborah Love-Bryant  
Executive Assistant

Ms. Dorothy Schrader  
General Counsel  
Copyright Office  
Library of Congress  
Department 100  
Washington, D.C. 20559



RE: State Immunity from Copyright Infringement

Dear Ms. Schrader:

I am submitting the enclosed brief in response to your recent request for comments on this issue. I understand that the House Judiciary Subcommittee on Courts, Civil Liberties and Administration of Justice has requested that the Copyright Office prepare a report on this matter.

The Anderson appeal is still pending before the Fourth Circuit. This Office strongly feels that recent Eleventh Amendment precedent compels the conclusion that the states are immune from claims for money damages for copyright infringement.

Should you require additional information about the Anderson case, please contact Assistant Attorney General Richard C. Kast at (804) 786-4729.

Very sincerely,

Mary Sue Terry

6:37-279f/1009

enclosure

TABLE OF CONTENTS

TABLE OF AUTHORITIES.....	ii
STATEMENT OF THE ISSUES.....	1
STATEMENT OF THE CASE.....	1
ARGUMENT.....	3
A. The Eleventh Amendment to the Federal Constitution Bars Suit for Copyright Infringement Against Radford University.....	3
B. An Employee of Radford University, Acting Within the Scope of Employment, Is Immune from Suit for Damages for Copyright Infringement.....	18
CONCLUSION.....	24



# TABLE OF AUTHORITIES

## Cases

	<u>Page</u>
<u>Abel v. Gousha</u> , 313 F. Supp. 1030 (E.D. Wis. 1970).....	21
<u>Atascadero State Hospital v. Scanlon</u> , 473 U.S. 234 (1985).....	3n, 7, 8, 9, 11, 12, 18
<u>Branch v. Virginia Commonwealth University</u> , No. 86-0045-R, slip op. (E.D. Va. Sept. 9, 1986).....	4
<u>BV Engineering v. University of California, Los Angeles</u> , 657 F. Supp. 1246 (C.D. Cal. 1987).....	11
<u>Cardinal Industries v. Anderson Parrish Associates</u> , No. 83-1038 Civ-T-13, slip op. (M.D. Fla. Sept. 6, 1985) aff'd No. 86-3354 (11th Cir. Jan. 27, 1987).....	11, 23
<u>Chang v. Virginia Polytechnic Institute and State University</u> , No. 85-2134 (4th Cir. Oct. 1, 1986).....	4
<u>Chisholm v. Georgia</u> , 2 U.S. (Dall.) 419 (1973).....	3
<u>Conway v. Alfred I. Dupont School District</u> , 333 F. Supp. 1217 (D. Del. 1971).....	21
<u>County of Oneida v. Oneida Indian Nation</u> , 470 U.S. 226 (1985).....	6
<u>Dugan v. Rank</u> , 372 U.S. 604 (1963).....	20, 21
<u>Edelman v. Jordan</u> , 415 U.S. 651 (1974).....	5, 9, 22n
<u>Employees v. Missouri Public Health Department</u> , 411 U.S. 279 (1973).....	7n, 8
<u>Ex Parte Young</u> , 209 U.S. 123 (1908).....	20, 22
<u>Florida Department of State v. Treasure Salvors, Inc.</u> , 458 U.S. 670 (1982).....	20
<u>Ford Motor Company v. Department of Treasury of Indiana</u> , 323 U.S. 459 (1945).....	19
<u>Fitzpatrick v. Bitzer</u> , 427 U.S. 445 (1976).....	6, 8
<u>Goldstein v. California</u> , 412 U.S. 546 (1973).....	17
<u>Green v. Mansour</u> , 474 U.S. 64 (1985).....	5, 6, 22n
<u>Hans v. Louisiana</u> , 134 U.S. 1 (1890).....	3
<u>Hawaii v. Gordon</u> , 373 U.S. 57 (1963).....	21

<u>Jacobs v. College of William and Mary,</u> 495 F. Supp. (E.D. Va. 1983).....	4
<u>Jensen v. State Board of Tax Commissioners,</u> 763 F. Supp. 272 (7th Cir. 1985).....	21
<u>Johnson v. University of Virginia,</u> 606 F. Supp. 321 (W.D. Va. 1985).....	4, 11
<u>Kentucky v. Graham,</u> 473 U.S. 159 (1985).....	14, 19
<u>Larson v. Domestic and Foreign Corporation,</u> 337 U.S. 682 (1949).....	20, 21
<u>Mihalek Corporation v. State of Michigan,</u> 595 F. Supp. 903 (E.D. Mich. 1984).....	11, 22
<u>Mills Music v. Arizona,</u> 591 F.2d 1278 (9th Cir. 1979).....	11
<u>Monaco v. Mississippi,</u> 292 U.S. 313 (1934).....	7n
<u>Monell v. Department of Social Services,</u> 436 U.S. 658 (1978).....	13, 14, 19
<u>Papasan v. Allain,</u> 478 U.S. ___, 106 S. Ct. 2932, 92 L.Ed. 2d 209 (1986).....	4
<u>Parden v. Terminal Railway</u> 377 U.S. 184 (1964).....	5n, 7n, 9, 10, 11
<u>Pelisek v. Trevor State Graded School District,</u> 371 F. Supp. 1064 (E.D. Wis. 1974).....	21
<u>Pennhurst State School and Hospital v. Halderman,</u> 465 U.S. 89 (1984).....	3, 4, 7n, 17, 19, 20
<u>Robb v. Suttan,</u> 147 Ill. App.3d 710, 498 N.E.2d 267 (1986).....	21
<u>Shao v. The Rector and Visitors of Old Dominion University,</u> No. 85-614-N, slip op. (E.D. Va. Feb. 24, 1986).....	4, 21
<u>Simpson v. Longwood College,</u> No. 86-0171-R, slip op. (E.D. Va. Aug. 15, 1986).....	4
<u>Welch v. Department of Highways and</u> <u>Transportation,</u> 55 U.S.L.W. 5046 (June 25, 1987) .....	3, 6, 7, 8, 9, 10, 11, 12, 17, 18
<u>Wihtol v. Crow,</u> 309 F.2d 777 (8th Cir. 1962).....	10
<u>Woelffer v. Happy States of America, Inc.,</u> 626 F. Supp. 499 (N.D. Ill. 1985).....	11, 23

## Statutes

U.S. Constitution, Art. I, § 8, cl 8.....	6
U.S. Constitution, Eleventh Amendment.....	<u>Passim</u>
U.S. Constitution, Fourteenth Amendment, § 5.....	6
17 U.S.C. § 107.....	13, 14
17 U.S.C. § 108.....	13, 14
17 U.S.C. § 110(6).....	13, 14, 15
17 U.S.C. § 111(a).....	13, 15
17 U.S.C. § 112(B).....	13, 15
17 U.S.C. § 118(d)(3).....	15
17 U.S.C. § 501.....	11
17 U.S.C. § 501(a).....	8, 12
17 U.S.C. 601(b).....	13, 15
17 U.S.C. 602(2).....	13, 16
29 U.S.C. §§ 201-19.....	8
29 U.S.C. §794.....	8
42 U.S.C. 2000e(a).....	7, 10n
45 U.S.C. §§ 51-60.....	9
46 U.S.C. § 638.....	8

## Miscellaneous

<u>Congressional Abrogation and State Sovereign Immunity,</u> 86 Colum. L. Rev. 1436 (1986).....	5n
<u>Recent Development, Copyright Infringement and the</u> <u>Eleventh Amendment: A Doctrine of Unfair Use?,</u> 40 Vand. L. Rev. 225 (1987).....	11, 17n
<u>Swan, The Eleventh Amendment Revisited: Suits Against State</u> <u>Government Entities and Their Employees in Federal Courts</u> 14 J.C. & U.S. 1 (1987).....	17n
1. M. Nimmer, Nimmer on Copyright § 2.02 (1986).....	17
House Report No. 94-1476.....	13, 15

I.  
STATEMENT OF THE ISSUES

1. Whether the Eleventh Amendment to the United States Constitution bars a suit for damages for copyright infringement against Radford University, a state institution of higher education of the Commonwealth of Virginia.
2. Whether an employee of Radford University, acting within the scope of employment, is immune from a suit for damages for copyright infringement.

II.  
STATEMENT OF THE CASE  
A. Nature of the Case and Disposition in District Court

On April 11, 1985 Richard Anderson Photography ("Anderson") filed a complaint in the United States District Court for the Western District of Virginia alleging copyright infringement against Radford University ("Radford" or "the University") and Deborah Brown, Radford's Director of Public Information and Relations. Anderson alleges that Radford committed copyright infringement by using photographic images which it prepared without its permission, and that Ms. Brown, in actions taken within the scope of her employment as Director of Public Information and Relations for Radford, was a contributory infringer.

On April 23, 1986 the district court dismissed the University, finding it was immune from suits for damages for copyright infringement because of the Eleventh Amendment to the

United States Constitution. On April 28, 1987 the district court also dismissed Ms. Brown on the basis of qualified immunity.

#### B. Statement of Facts

The genesis of this controversy is an oral contract between Anderson and North Charles Street Design Organization ("NCSDO"), a corporation specializing in the preparation of promotional publications for colleges and universities.<sup>1</sup> NCSDO engaged Anderson to prepare photographs for Radford during the spring of 1982. Anderson prepared approximately 1,080 photographic slides for Radford, each of which contained Anderson's copyright notice. NCSDO notified Ms. Brown in writing that the slides were to be the property of Radford, and the negatives were to be the property of Anderson. After the engagement was concluded, Anderson advised NCSDO that, except where outright purchase was specified, all photographs remained the exclusive property of Anderson. When it became apparent that Anderson claimed to own the photographic slides, Radford returned all of them to Anderson even though it had paid for them and believed it owned them.

---

<sup>1</sup>Anderson previously sued the principal officers of NCSDO, Armand and Bernice Thieblot, in U. S. District Court in Maryland. The University was also a defendant in that litigation. On December 10, 1984 this suit was dismissed against all defendants: against the University for improper venue and lack of personal jurisdiction; against the Thieblots for failure to plead a sufficiently specific claim of copyright infringement.

III.  
ARGUMENT

A. The Eleventh Amendment to the Federal Constitution  
Bars Suit for Copyright Infringement Against  
Radford University.

The Eleventh Amendment to the U. S. Constitution states:  
"The judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by citizens of another state, or by citizens or subjects of any foreign state." The literal language of the amendment was drafted in response to a suit brought in the U.S. Supreme Court by a citizen of South Carolina against the State of Georgia. Chisholm v. Georgia, 2 U.S. (Dall.) 419 (1793). While overruling Chisholm, the greater significance of the amendment "lies in its affirmation that the fundamental principle of sovereign immunity limits the grant of judicial authority in Article III" of the Constitution. Welch v. Department of Highways and Transportation, 55 U.S.L.W. 5046, 5048 (June 25, 1987), quoting Pennhurst State School & Hospital v. Halderman, 465 U.S. 89, 98 (1984). In interpreting the intent of the Eleventh Amendment the U.S. Supreme Court long ago held, and has consistently maintained,<sup>2</sup> that the amendment bars a citizen from bringing suit against a citizen's own state in federal court. Hans v. Louisiana, 134 U.S. 1, 10 (1890).

---

<sup>2</sup>See, Atascadero State Hospital v. Scanlon, 473 U.S. 234 n. 3 (1985).

The immunity conferred by the Eleventh Amendment on the states is not limited to suits against the states themselves, but also extends to "arms" or "instrumentalities" of the states. Papasan v. Allain, 478 U.S. \_\_\_, 106 S.Ct. 2932, 2939, 92 L.Ed.2d. 209, 225 (1986); Pennhurst, 465 U.S. at 100-101. The courts have consistently held that the state-funded institutions of higher education in Virginia are instrumentalities of the state for purposes of Eleventh Amendment immunity. Chang v. Virginia Polytechnic Institute and State University No. 85-2134 (4th Cir. Oct. 1, 1986); Branch v. Virginia Commonwealth University, No. 86-0045-R, slip op. (E.D. Va. Sept. 9, 1986); Simpson v. Longwood College, No. 86-0171-R, slip op. (E.D. Va. Aug. 15, 1986); Shao v. The Rector and Visitors of Old Dominion University, No. 85-614-N, slip op. (E.D. Va. Feb. 24, 1986); Johnson v. University of Virginia, 606 F. Supp. 321 (W.D. Va. 1985); Jacobs v. College of William and Mary, 495 F. Supp. 183 (E.D. Va. 1983). Anderson does not question that Radford is a state instrumentality for purposes of Eleventh Amendment analysis.

It is recognized that a state may expressly waive its Eleventh Amendment immunity, or in some instances it may be abrogated by Congress. Congressional abrogation is sometimes referred to as "implied waiver," such as in the instant case in which the court below discussed the concept using this

terminology.<sup>3</sup> Virginia has not expressly waived its Eleventh Amendment immunity in cases brought pursuant to the Copyright Act of 1976, a fact not contested by Anderson. Thus the sole inquiry before this Court with respect to Anderson's claim of copyright infringement against Radford University is whether Congress has, by the enactment of the Copyright Act of 1976, specifically overridden the University's Eleventh Amendment immunity.

While the terminology of "implied waiver" is sometimes used inartfully for the doctrine of Congressional abrogation, there can be nothing implied about it. The Supreme Court has stated that "States may not be sued in federal court unless they consent to it in unequivocal terms or unless Congress, pursuant to a valid exercise of power, unequivocally expresses its intent to abrogate the immunity." Green v. Mansour, 474 U.S. 64, 74 (1985) (emphasis added). Thus, when Congressional abrogation is relied upon to override the immunity conferred by the Eleventh Amendment, the intent to abrogate must be unequivocal because "[c]onstructive consent is not a doctrine commonly associated with the surrender of constitutional rights." Edelman v. Jordan,

---

<sup>3</sup>The district court's use of this terminology was apparently influenced by a desire to reconcile recent Supreme Court precedent with Parden v. Terminal Railway, 377 U.S. 184 (1964). In that case the Court effectively "collapsed the concepts of stripping [abrogation] and waiver into one theory of constructive waiver." Congressional Abrogation and State Sovereign Immunity, 86 Colum. L. Rev. 1436, 1439 (1986). The Parden doctrine of constructive waiver has now been overturned by the Court. See infra p. 9.



415 U.S. 651, 673 (1974). As the Court noted in Green v. Mansour, supra, where Congressional abrogation is relied upon the federal courts must determine: first, was Congress acting pursuant to a valid exercise of power and, second, was its intent to abrogate unequivocally expressed.

With respect to whether a specific exercise of legislative power is proper, it is clear that the Eleventh Amendment is "necessarily limited by the enforcement provisions of § 5 of the Fourteenth Amendment." Fitzpatrick v. Bitzer, 427 U.S. 445, 456 (1976). Thus, when Congress acts to give effect to the equal protection or due process clauses of the Fourteenth Amendment, and clearly expresses its intent to abrogate, as the Fitzpatrick Court found with respect to Title VII of the Civil Rights Act of 1964, the states' Eleventh Amendment immunity may be overridden without their consent. The Supreme Court has not answered the question, however, of whether Congress may validly proceed to abrogate the states' Eleventh Amendment immunity pursuant to any other section of the Constitution other than § 5 of the Fourteenth Amendment. Welch, 55 U.S.L.W. at 5048; County of Oneida v. Oneida Indian Nation, 470 U.S. 226, 252 (1985).

The Copyright Act of 1976 was enacted pursuant to the Copyright and Patent Clause of the Constitution. Article I, § 8, cl 8. The district court held: "Congress does not have the power to abrogate the States' Eleventh Amendment immunity without their consent unless it acts pursuant to § 5 of the Fourteenth

Amendment" (App. 7), relying upon Atascadero State Hospital v. Scanlon, 473 U.S. 234 (1985). Welch has since clarified that the Court did not mean absolutely to foreclose the possibility of valid Congressional abrogation pursuant to another section of the Constitution. Nonetheless, the district court's decision regarding the impropriety of Congressional abrogation pursuant to the Copyright and Patent Clause has not been shown to be incorrect by any recent Supreme Court precedent interpreting the Eleventh Amendment.<sup>4</sup>

Even when Congress has the power to override "it must express its intention to abrogate the Eleventh Amendment in unmistakable language in the statute itself." Atascadero State Hospital v. Scanlon, 473 U.S. 234, 243 (1985). As noted above, an example of such explicit abrogation is be in in Title VII of the Civil Rights Act of 1964 in which Congress amended 42 U.S.C. § 2000e (a) in 1972 to include "governments, governmental agencies, [and] political subdivisions." This statutory language unmistakably signaled Congressional intent to abrogate the

<sup>4</sup>Parden v. Terminal Railway, 377 U.S. 184 (1964), is the only case in which abrogation pursuant to any other section of the Constitution has been upheld. Although Welch overruled Parden on its "constructive waiver" rationale, it declined to decide whether there had been a legitimate exercise of Congressional power. Cf. n. 5. The court specifically rejected Commerce Clause abrogation in Employees v. Missouri Public Health Department, 411 U.S. 279 (1973), and likewise rejected abrogation pursuant to the spending power in Pennhurst, 451 U.S. at 17, 24, 53, and pursuant to the foreign affairs power in Monaco v. Mississippi, 292 U.S. 313, 331 (1934).

states' Eleventh Amendment immunity in civil rights. Fitzpatrick v. Bitzer, 427 U.S. 445, 456 (1976). In contrast in Welch the Court found Congressional intent to be insufficiently clear to abrogate in § 33 of the Jones Act, 46 U.S.C. §688 ("[a]ny seaman who shall suffer personal injury in the course of his employment..."); in Atascadero found insufficient § 504 of the Rehabilitation Act of 1974, 29 U.S.C. §794 ("any recipient of Federal assistance") (emphasis added by the Court in both instances); and in Employees v. Missouri Public Health Department, 411 U.S. 279 (1973), found to be insufficient language of the Fair Labor Standards Act of 1938, 29 U.S.C §§ 201-19 ("[a]ny employer").

The section of the Copyright Act of 1976 upon which Anderson relies to establish the requisite unequivocal Congressional intent to abrogate is found at 17 U.S.C. § 501(a). It states: "Anyone who violates any of the exclusive rights of the copyright owner...is an infringer of the copyright." (Emphasis added.) This language closely resembles the general statutory wording found in Welch, Atascadero, and Employees v. Missouri Public Health Department, and is manifestly dissimilar from the explicit language of Fitzpatrick v. Bitzer. This generalized language clearly does not unequivocally express Congressional intent to abrogate the immunity, and therefore must fail even if Congress has power to abrogate pursuant to the Copyright and Patent Clause of the Constitution.

Anderson attempts to avoid the effect of recent Supreme Court precedent by relying on the doctrine of "constructive waiver." (See Appellant's Brief at 16 et seq.) In fact, there is no such doctrine, and to the extent there ever was, there is no more. In Parden v. Terminal Railway, 377 U.S. 184 (1964), the case upon which Anderson primarily relies in its argument for a doctrine of constructive waiver, the Supreme Court held that the State of Alabama was subject to suit in federal court by an employee of a state-owned railroad. The Court reached this decision by finding that Congress had abrogated the State's Eleventh Amendment immunity by making the Federal Employers' Liability Act, 45 U.S.C. §§ 51-60, applicable to "every common carrier by railroad while engaging in commerce between any of the several States...."

In this case the district court considered Parden at some length and distinguished it (App. 9-11), noting that "the operation of a railroad is somewhat less of a traditional function of the State than is the administering of social security funds in Edelman and the participation in a program for the handicapped in Atascadero." The district court also noted that the function of the Commonwealth of Virginia in operating Radford University was more akin to the choices offered in Edelman and Atascadero than that offered in Parden (App. 11). In this manner the district court reconciled Edelman, Atascadero and Parden.

In Welch the Supreme Court has clarified the law by holding that Parden "mistakenly relied on cases holding that general

language" was sufficient to show a clear intent that Congress intended to abrogate the states' Eleventh Amendment immunity. 55 U.S.L.W. at 5049. Whereas in Parden the Court had stated that, absent an express provision to the contrary, general language in a statute was sufficient to include the states, Welch makes clear that, on the contrary, an express provision conferring federal jurisdiction over the states must be contained within the statutory language. Intent may not be implied, it must be clearly and unequivocally stated. This is because the constitutional role of the states sets them apart from other employers and defendants. Id. With reference to Parden, the Court in Welch concludes:

Although our later decisions do not expressly overrule Parden, they leave no doubt that Parden's discussion of Congressional intent to negate Eleventh Amendment immunity is no longer good law.... Accordingly, to the extent that Parden v. Terminal Railway, supra, is inconsistent with the requirement that an abrogation of Eleventh Amendment immunity by Congress must be expressed in unmistakably clear language, it is overruled.

Id. Clearly the doctrine of "constructive waiver" upon which Anderson so heavily relies is legally non-existent.<sup>5</sup>

The district court's decision in this case is supported by several trial and appellate court decisions. Wihtol v. Crow, 309

<sup>5</sup>Perhaps the only remaining vestige of Parden after Welch is the question whether Congress may abrogate pursuant to any section of the Constitution other than § 5 of the Fourteenth Amendment. The Welch Court declined to decide this issue, as noted earlier in this Brief, even though Parden concerned abrogation pursuant to the Commerce Clause of the Constitution.

F.2d 777 (8th Cir. 1962);<sup>6</sup> Cardinal Industries, Inc. v. Anderson Parrish Associates, No. 83-1038-Civ-T-13, Slip op. (M.D. Fla. Sept. 6, 1985), aff'd No. 86-3354 (11th Cir. Jan. 27, 1987); Woelffer v. Happy States of America, Inc., 626 F. Supp. 499 (N.D. Ill. 1985); Mihalek Corporation v. Michigan, 595 F. Supp. 903 (E.D. Mich. 1984). See generally, Recent Development, Copyright Infringement and the Eleventh Amendment: A Doctrine of Unfair Use?, 40 Vand. L. Rev. 225, 246-56 (1987).

Only two federal courts have found that Congress clearly showed an intent to abrogate the states' immunity when it enacted the Copyright Act of 1976. Mills Music v. Arizona, 591 F.2d 1278 (9th Cir. 1979); Johnson v. University of Virginia, 606 F. Supp. 321 (W.D. Va. 1985). Both of these cases antedate Welch and Atascadero and now represent precedent of questionable validity. Johnson preceeded the instant case in the same district and was tacitly overruled by the district court which found that Johnson "would have been decided differently if the court had had available Atascadero...." (App. 11.) Mills Music, while it has not been overruled, has been questioned by a district court in the Ninth Circuit. In BV Engineering v. University of California, Los Angeles, 657 F. Supp. 1246, 1249 (C.D. Cal. 1987), the district court stated that Mills Music was "no longer the law." The court also showed itself to be

<sup>6</sup>Decided under the Copyright Act of 1909, the enforcement provision of which extends to "any person" [17 U.S.C. § 501] rather than "anyone."

prescient, in light of the subsequent ruling in Welch, by holding: "The chances of the new standard expressed in Atascadero State Hospital having been accidentally formulated or unintended to be taken literally are non-existent." Id. at 1250.

Because 17 U.S.C § 501(a) so obviously fails to meet the stringent test necessary to show that Congress intended the Copyright Act of 1976 to bind the states, Anderson and the amici argue for an expansive interpretation of Welch and Atascadero. They attempt to support this argument by referring to the sections of the Copyright Act limiting the exclusive rights of copyright holders (Appellant's Brief 16-17; Amicus Brief of National Music Publishers' Assoc., et al. 16-19; Amicus brief of the Association of American Publishers, Inc., et al. 6-10); or conferring jurisdiction on the federal courts (Amicus Brief of National Music Publishers' Assoc., et al. 19-22; Amicus Brief of the Association of American Publishers, Inc., et al. 11).

Nothing in Welch or Atascadero, or other pertinent Supreme Court cases, justifies the conclusion that an expansive inquiry into the question of Congressional intent was contemplated by the Court. The Welch Court looked at § 33 of the Jones Act exclusively in determining no intent to abrogate could be found; the Atascadero Court relied on § 505 of the Rehabilitation Act. There was no detailed inquiry into other sections of these enactments. It simply was not necessary. No unequivocal intent being found in the sections specifically pertaining to the scope

of these Acts, further inquiry was neither necessary nor appropriate.

Even if an expansive inquiry into Congressional intent is permissible, nothing in the limitations on the rights of a copyright holder found in the Copyright Act convincingly sets out the requisite Congressional intent. The pertinent provisions of the Copyright Act are found at 17 U.S.C. §§ 107, 108, 110(6), 111(a), 112(b), 118(d)(3), 601(b) and 602(2). Most of these limitations are applicable only to "governmental bodies," which include local governments that have no Eleventh Amendment immunity. Monell v. Department of Social Services, 436 U.S. 658, 690 (1978).

Looking at these limitations in order clarifies their intent and destroys the illusion that they must refer to the states. Section 107 codifies the doctrine of "fair use." Fair use is defined to include "reproductions in copies or phonorecords...for purposes such as...teaching," and among the factors to be considered is reproduction for "non-profit educational purposes." 17 U.S.C. § 107(1). Anderson and the amici argue that state schools would not need this protection if the states were already immune from suit. As stated in House Report No. 94-1476, however, it is apparent that the purpose of § 107 with regard to schoolroom use is to "provide innocent teachers...with broad insulation against unwarranted liability for infringement." Because teachers sued in their individual



capacities may not be able successfully to claim the protection of the Eleventh Amendment, Kentucky v. Graham, 473 U.S. 159 (1985), it would not be redundant for Congress to extend to them immunity which they do not otherwise enjoy. With regard to contributory infringement suits which might be brought against local school boards, such entities possess no Eleventh Amendment immunity so again the limitation is not redundant. Monell, 436 U.S. at 690. Finally, private schools clearly do not enjoy the immunity of the Eleventh Amendment, so that § 107 is not superfluous in its application to them.

Section 108(a)-(i) generally affords protection to "a library or archives" to reproduce copies of works if the reproduction is made without any view to commercial advantage, the library or archives is open to the public, and the reproduction includes a notice of copyright. 17 U.S.C. § 108 (a). The provision makes perfectly good sense because, for the reasons noted above, private libraries open to the public and the public libraries of localities otherwise fitting within the § 108 exception do not enjoy Eleventh Amendment immunity.

The same analysis explains § 110(6), which affords protection to "performance[s] of a nondramatic musical work by a governmental body or a nonprofit agricultural or horticultural organization, in the course of an annual agricultural or horticultural fair or exhibition conducted by such body or organization...." 17 U.S.C. § 110(6). This provision immunizes

local governing bodies and private nonprofit organizations which are not protected by the Eleventh Amendment. Although referred to in the briefs as the "state fair exemption," nowhere in its entire text does §110(6) use the word "state."

Section 111(a)(4) defines as non-infringing the "secondary transmission" of a performance or display of a work if made by a governmental body, or other nonprofit organization, without any purpose of direct or indirect commercial advantage...." 17 U.S.C. 111(a)(4). Again, because private nonprofit organizations and local governments are not protected by the Eleventh Amendment, it is simply incorrect to argue that § 111 is redundant in extending to them immunity which they did not already enjoy. The same argument applies to for § 112(b), which provides that copying of "ephemeral recordings" by a "governmental body or other nonprofit organization" is not an infringement, and to § 118(d)(3), which provides that governing bodies and nonprofit institutions may reproduce, simultaneously with the transmission, the performance or display of a work in the course of a transmission made by a public broadcasting entity.

Section 601 effectively phased out the "manufacturing clause," which provided full copyright protection only to those books or periodicals in the English language which were manufactured in the United States. House Report No. 94-1476. An exception to the manufacturing clause's prohibition of the

importations of such books and periodicals not produced in the United States was afforded the importer where the importation was "sought under the authority or for the use, other than in schools, of the Government of the United States or of any State or political subdivision of a State." 17 U.S.C. § 601(b)(3). But § 601 afforded protection to the private importer, not the states and their political subdivisions, so that Congress was not purporting to extend to the states the immunity which they already possessed.

Section 602 presently prohibits the importation, without the authority of the work's American copyright owner, of copies or phonorecords of that work acquired outside the United States. 17 U.S.C. § 602(a). In subsection (a)(1) such importation is not prohibited as an infringement if carried out "under the authority or for the use of the Government of the United States or of any State or political subdivision of a State, not including copies or phonorecords for use in schools...." Again, as in § 601, Congress immunized the importer, not the states.

In conclusion, the pivotal question before this Court is not whether the framers of the Constitution intended the Congress to have the power to subject the states to the copyright provisions it enacted (see Appellant's Brief 9-15). Rather the issue is whether Congress, even if it has the power to do so pursuant to the Copyright and Patent Clause, has unmistakably expressed its intent to override the immunity conferred on state governments by the Constitution.

In the final analysis, as the Supreme Court has frequently noted, the Eleventh Amendment is not concerned with whether a state can be sued, but where it can be sued. Welch, 55 U.S.L.W. at 5048, quoting Pennhurst, 465 U.S. at 99 (emphasis by the Court in both instances). The Copyright and Patent Clause does not limit copyright protection to the federal sphere. Goldstein v. California, 412 U.S. 546, 560 (1973). Indeed, until passage of the Copyright Act of 1976 the states regulated and enforced "common law" copyrights concurrently with the federal government's regulation and enforcement of "statutory" copyrights. 1 M. Nimmer, Nimmer on Copyright § 2.02 (1986). Thus a copyright owner's inability to seek redress against an infringing state is not the result of the Eleventh Amendment, but of Congress's choice or failure clearly to act to include the states within the ambit of federal jurisdiction, or to grant authority for copyright owners to proceed in state tribunals.<sup>7</sup>

---

<sup>7</sup>Compare Swan, The Eleventh Amendment Revisited: Suits Against State Government Entities and Their Employees in Federal Courts, 14 J.C. & U.S. 1, 37 (1987) ("Consistent with the clear language rule Congress should amend the Copyright Act to specifically include state infringers as potential defendants"); with Recent Development, Copyright Infringement and the Eleventh Amendment: A Doctrine of Unfair Use?, 40 Vand. L. Rev. 225, 269 (1987) ("One must assume that Congress, by granting federal courts exclusive jurisdiction to hear copyright cases, intended, in light of the eleventh amendment, to preclude federal court copyright suits against the states.... Accordingly... Congress should amend 28 U.S.C. 1338(a) to provide that private individuals may sue infringing states in state court for copyright infringement.")

When put in proper perspective, Anderson's equitable and practical arguments for subjecting the states to the provisions of the Copyright Act are not unconvincing or plainly wrong, they are simply addressed to the wrong forum. It is Congress which should decide, for instance, whether treaty obligations can be curtailed or foreign trade jeopardized (Appellant's Brief 15) because the states are not liable for copyright infringement. And it is Congress which should decide whether it is simply unfair not to subject the states to its copyright jurisdiction (Appellant's Brief 20). The requirements of Welch and Atascadero are not onerous, but they do realize the delicate nature of deciding whether one sovereign has subjected another to its jurisdiction. Nothing less should be expected or required where a federal system of government is involved.

B. An Employee of Radford University, Acting Within the Scope of Employment, Is Immune from Suit for Damages for Copyright Infringement.

Anderson's complaint also alleges that Deborah Brown, the University's Director of Public Information and Relations, was a contributory infringer when, acting within the scope of her employment, she was involved in decisions on the use of Anderson's photographs. Ms. Brown claimed throughout the proceedings in the court below that she had been acting officially in her role as an employee of the University during the entire time which was the subject of the controversy and that therefore she was also entitled to claim the Eleventh Amendment

immunity of Radford. The district court declined to find that Ms. Brown was entitled to Eleventh Amendment immunity, but found that she was entitled to a qualified immunity for performing discretionary acts and dismissed the allegations against her (App. 21-22).

It is a settled principle of constitutional law that, in the absence of state waiver or Congressional abrogation, the "Eleventh Amendment bars a suit against state officials when the state is the real, substantial party in interest." Pennhurst State School and Hospital v. Halderman, 465 U.S. 89, 101 (1984), quoting Ford Motor Company v. Department of the Treasury of Indiana, 323 U.S. 459, 464 (1945). The Eleventh Amendment would be a mere nullity if plaintiffs who were precluded from obtaining a judgment against the state directly could secure the same judgment in a suit brought against one of its officers. The Supreme Court has noted that official capacity suits "generally represent only another way of pleading an action against an entity of which an officer is an agent." Kentucky v. Graham, 473 U.S. 159, 165 (1985), quoting Monell v. Department of Social Services, 436 U.S. 658 n. 55 (1978). Thus the Court has stated the general rule to be that a suit nominally brought against an official "is against the sovereign 'if the judgment sought would expend itself on the public treasury or domain, or interfere with the public administration,'" or if the effect of the judgment would be "'to restrain the government from acting or to compel it

to act.'" Pennhurst, 465 U.S. at 101 n. 11, quoting Dugan v. Rank, 372 U.S. 609, 620 (1963).

It is only when the acts of state officials are deemed to be ultra vires that those officials may be sued in federal court. The ultra vires doctrine originated in Ex Parte Young, 209 U.S. 123 (1908), in which the Supreme Court held that, where agents of the state act pursuant to an unconstitutional enactment, such enactment is void and those agents therefore have no authority from the state for their actions. Under such circumstances the Eleventh Amendment does not preclude prospective injunctive relief against those agents of the state. Recent precedent clearly establishes, however, that the ultra vires doctrine is a "narrow and questionable exception" to the Eleventh Amendment bar. Pennhurst, 465 U.S. at 116. In Pennhurst the Court held that the ultra vires doctrine will operate as an exception to the Eleventh Amendment only where a state officer's action is totally unauthorized. Specifically, the Court stated that "modern cases make clear that a state officer may be said to act ultra vires only when he acts 'without any authority whatever.' [citations omitted.]" Id. at 101 n. 11. In the same note the Court quotes with approval its earlier decision in the Larson v. Domestic and Foreign Corporation, 337 U.S. 682, 690 (1949), that an ultra vires claim rests on "the officer's lack of delegated power. A claim of error in the exercise of that power is therefore not sufficient." See also, Florida Department of State v. Treasure

Salvors, Inc., 458 U.S. 670, 688 (1982), in which the Court, also referring to Larson, stated "the fact that an officer wrongfully withholds property belonging to another does not necessarily establish that he is acting beyond the permissible scope of his official capacity."

In the instant case Anderson has at all times throughout the course of this suit alleged that Ms. Brown acted within the scope of her employment. Anderson has not alleged any conduct on Ms. Brown's part which would place her outside her official, job-related responsibilities. Under such circumstances Ms. Brown can only be considered to have acted officially and therefore is entitled to the same Eleventh Amendment immunity as her employing unit. Shao v. The Rector and Visitors of Old Dominion University, No. 85-614-N, slip op. (E.D. Va. Feb. 24, 1986); Pelisek v. Trevor State Graded School District, 371 F. Supp. 1064, 1065 (E.D. Wis. 1974); Conway v. Alfred I. Dupont School District, 333 F. Supp. 1217, 1219, (D. Del. 1971); Abel v. Gousha, 313 F. Supp. 1030, 1031 (E.D. Wis. 1970); Robb v. Sutton, 147 Ill. App. 3d 710, 498 N.E. 2d 267 (1986) Where the pleadings clearly claim that the alleged offense occurred while the defendant attempted to fulfill normal job responsibilities, the courts have extended immunity to those defendants even where the complaints do not explicitly characterize their capacity. Hawaii v. Gordon, 373 U.S. 57 (1963); Dugan v. Rank, 372 U.S. 604 (1963); Jensen v. State Board of Tax Commissioners, 763 F.2d 272 (7th Cir. 1985).



While it may be argued under the doctrine of Ex Parte Young that prospective injunctive relief is available, such relief is not sought, nor is it appropriate. As noted in the Statement of Facts, when the controversy arose concerning Anderson's photographs, the University returned all of those photographs to Anderson despite the fact that it had paid for them and therefore reasonably believed it owned them. There is no alleged continuing violation to enjoin and the only relief possible, and the only relief sought by Anderson, is monetary damages. Because the parties, including Anderson, recognize that Ms. Brown was acting at all times for and on behalf of the University and within the scope of her duties, any monetary award against her would be an indirect affront to the Eleventh Amendment.<sup>8</sup>

Recent precedent examining copyright infringement claims against state officials has been careful to observe Eleventh Amendment jurisprudence. Thus in Mihalek Corporation v. State of Michigan, 595 F. Supp. 903 (E.D. Mich. 1984), in which the plaintiff sought damages and injunctive relief against the State of Michigan, its Governor, the State Department of Commerce and the Department's director for copyright infringement, the court held that all defendants were entitled to Eleventh Amendment

---

<sup>8</sup>The Supreme Court has been careful not to allow such evasion of the principles of the Eleventh Amendment by indirection. See Edelman v. Jordan, 415 U.S. 651 (1974) (equitable relief impacting the State treasury precluded); Green v. Mansour, 474 U.S. 64 (1985) (declaratory relief implicating damages constituted an "end run" around Edelman and was barred).

immunity with regard to the plaintiff's request for damages. The court went on to note, however, that to the extent plaintiff sought prospective injunctive relief, the Eleventh Amendment offered no protection to the individual defendants. Id. at 906.

In Woelffer v. Happy States of America, Inc., 626 F. Supp. 499 (N.D. Ill. 1985), a declaratory judgment proceeding filed by, among others, the Illinois Department of Commerce and its Director, Woelffer, the court found that the only potential relief available against Woelffer as an agent of the state for copyright infringement was prospective injunctive relief. Id. at 505.

In Cardinal Industries, Inc. v. Anderson Parrish Associates, Inc., No. 83-1038-Civ-T-13, slip op. (M.D. Fla. Sept. 6, 1985), a suit for damages and injunctive relief for copyright infringement against, among others, two housing officials employed by the University of South Florida, the court held that the university was the real, substantial party in interest and dismissed all claims against the officials pursuant to the Eleventh Amendment. The court also held, even though the named officials had been sued individually, "the defendants contend[ed] that they were working within the scope of their official capacities as the Director of Housing and as a member of the Office of Facility Planning" at the university and granted their motion for summary judgment. Cardinal Industries, No. 83-1038-Civ-T-13, Slip op. at 2-3.

In the instant case the district court held that Ms. Brown was entitled to qualified immunity from monetary damages (App. 22). Whether couched in terms of qualified immunity or Eleventh Amendment analysis, the proper conclusion was reached: under the circumstances pleaded by Anderson, Ms. Brown may not be liable for monetary damages as a contributory infringer of copyright. At all times Ms. Brown was not acting independently, for her own benefit, but solely for and on behalf of her state employer--an entity equally immune. Thus the district court's ruling is correct.

III.  
CONCLUSION

For the reasons above the two decisions of the district court being appealed should be affirmed and this appeal should be dismissed.

RADFORD UNIVERSITY  
DEBORAH L. BROWN

Richard C. Katt  
Counsel

Mary Sue Terry  
Attorney General

Paul J. Forch  
Senior Assistant Attorney General

Richard C. Kast  
Assistant Attorney General  
101 North Eighth Street  
Richmond, Virginia 23219  
804-786-4729

CERTIFICATE

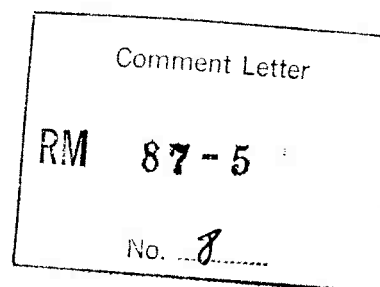
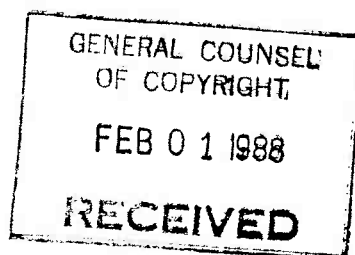
I certify that I mailed copies of this brief to John M. DiJoseph, Esquire, 2050 Clarendon Boulevard, Suite 300, Arlington, Virginia 22201, counsel to appellant, and to the amici curiae, this 31<sup>st</sup> day of July, 1987.

Richard C. Kast

6:37-279E/730

February 1, 1988

Office of the General Counsel  
Copyright Office  
Library of Congress  
Department 100  
Washington, DC 20559



Dear Ms. Schrader:

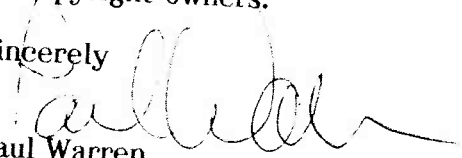
The Newsletter Association appreciates the opportunity to comment on the request for information on the Eleventh Amendment. We view the matter of claims of immunity against damages for infringement of copyrighted works as a key issue in domestic U.S. copyright policy.

The Association which represents some 800 newsletter publishers, would like to state that we had always assumed, as we believe had Congress, that states and their instrumentalities, like everyone else, are subject to the copyright law.

Since the beginnings of the newsletter industry at the beginning of this century, newsletter publishers have counted on state governments and their instrumentalities as important subscribers. Our members have enjoyed multiple subscriptions from the state governments. And, as you know, multiple subscriptions are the key to profits in our business. As a result, it is extremely damaging for a state government to simply buy one subscription and duplicate it. Furthermore, this is the kind of practice that is almost impossible to track. Our members' companies average fewer than 10 employees each. As a result, they do not have the manpower to follow this matter and certainly do not have the financial resources to take on a state government.

Please be advised that the Association does not believe that some states' claims of state sovereign immunity justifies damage being done to the interest of copyright owners.

Sincerely

  
Paul Warren  
Vice President  
Newsletter Association

PW/wis

**PRESIDENT**

Donald W. Banner  
Washington, DC

**VICE PRESIDENTS**

Cruzan Alexander  
St. Paul, MN

Richard C. Witte  
Procter & Gamble Co.  
Cincinnati, OH

**DIRECTORS**

Robert A. Armitage  
Upjohn Co.

William H. Duffey  
Monsanto

Larry W. Evans  
Standard Oil Co.

Karl F. Jorda  
Ciba-Geigy Corp.

William L. Keefauver  
AT&T

Robert C. Kline  
E. I. du Pont de Nemours  
& Co.

William E. Lambert, III  
Rohm & Haas Co.

Alan D. Lourie  
SmithKline Beckman Corp.

Harry F. Manbeck  
General Electric Co.

William F. Marsh  
Air Products and Chemicals, Inc.

Roy H. Massengill  
Ford - Signal Inc.

Ralph Medhurst  
Amoco Corp.

Thomas I. O'Brien  
Union Carbide Corp.

William E. Schuyler, Jr.  
Washington, DC

Eugene Seems  
FMC Corp.

Donald M. Sell  
3M

Roger S. Smith  
IBM Corp.

Robert Sullivan  
Stauffer Chemical Co.

Richard G. Waterman  
Dow Chemical Co.

Melvin P. Williams  
United Technologies Corp.

Allan S. Wuchenich  
Westinghouse Electric Company

**EXECUTIVE DIRECTOR**

Herbert C. Wamsley  
Washington, DC

**EXECUTIVE ASSISTANT**

Deborah A. Dahlman  
Washington, DC

**MEMBERSHIP CHAIRMAN**

Mac Fleischmann  
Falls Church, VA

**IPO** INTELLECTUAL  
PROPERTY  
OWNERS, INC.

GENERAL COUNSEL  
OF COPYRIGHT

FEB 01 1988

RECEIVED

1255 TWENTY-THIRD STREET  
SUITE 850  
WASHINGTON, DC 20037  
TELEPHONE (202) 466-2396  
TELECOPIER (202) 833-3636  
TELEX 248959 NSPA UR

February 1, 1988

Comment Letter

RM 87-5

No. 9

The Honorable Dorothy Schrader  
General Counsel  
Copyright Office, Library of Congress  
Madison Building, Room 407  
Washington, DC 20559

Dear Ms. Schrader:

I am writing on behalf of Intellectual Property Owners, Inc. (IPO) in response to the Copyright Office's Federal Register notice requesting information on Eleventh Amendment immunity claims by states in copyright infringement cases.

IPO is a nonprofit association whose members own patents, trademarks, and copyrights. We believe it is essential to maintain effective laws and regulations for protecting intellectual property rights in the United States in order to have incentives for inventiveness, investment, and creativity.

In our opinion, the current claims of state sovereign immunity from copyright infringement could seriously undermine U.S. intellectual property laws. The recent district court cases which have found five state governments immune from suit are in error.

The statutory scheme of the 1976 act makes clear that Congress intended to subject the states to liability. Congress has granted copyright owners "exclusive" rights. Congress has preempted state laws which are equivalent to copyright and has given the Federal courts exclusive jurisdiction over copyright claims. The 1976 act says that "anyone" who violates the rights of the copyright owner is an infringer. The act grants the states certain exemptions which would be unnecessary if Congress had not meant for the states to be subject to the act.

In view of these features of the Copyright Act, it is inconceivable that Congress intended for the states to have immunity. The damage that would be done to incentives for creating and disseminating copyrightable works would be enormous.

Moreover, if states were permitted Eleventh Amendment immunity from copyright infringement, we presume they also would be able to assert immunity with respect to claims of patent infringement. The same reasoning would seem to apply; patents and copyrights

A NONPROFIT ASSOCIATION REPRESENTING PATENT, TRADEMARK AND COPYRIGHT OWNERS

**INTELLECTUAL PROPERTY OWNERS, INC.**

The Honorable Dorothy Schrader  
February 1, 1988  
Page Two

are covered in the same constitutional clause, and the statutory schemes are similar.

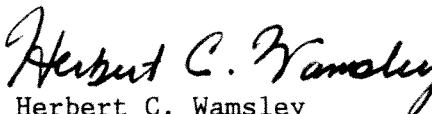
The possibility has been raised that Eleventh Amendment immunity would extend as well to claims for infringement under the Federal Trademark Act, enacted under the power of the commerce clause. American Bar Association Section of Patent, Trademark, and Copyright Law, 1987 Committee Reports, at p. 86.

Such interpretations of Eleventh Amendment immunity would have major effects on the economy. State government agencies and universities are large entities. They are major users of computer software, books, and other copyrighted works. They are also users of patented products and processes, and they market or license articles bearing trademarks.

Finally, we wish to point out that Eleventh Amendment immunity for the states probably would include immunity from suits by foreigners who own intellectual property rights in the United States. This could invite retaliation by our trading partners, and certainly would impede the current efforts of the U.S. government to obtain better intellectual property protection abroad for U.S. citizens.

Thank you for considering our comments.

Sincerely,

  
Herbert C. Wamsley  
Executive Director

HCW/dd

Kenneth Zeigler  
Executive Vice President



January 28, 1988

GENERAL COUNSEL  
OF COPYRIGHT

FEB 01 1988

RECEIVED

Comment Letter

RM 87-5

No. 10

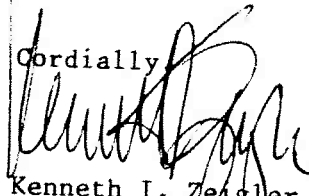
Ms. Dorothy M. Schrader  
General Counsel  
U.S.. Copyright Office  
Room 407  
James Madison Memorial Building  
First Street and Independence Ave. S.E.  
Washington, D.C. 20540

Dear Ms. Schrader:

We are submitting comments relative to the Eleventh Amendment/State copyright infringement Request for Comments contained in Federal Register, Volume 52, No. 211. Data Retrieval is in the business of developing and licensing to end users software for creating and using large computer databases. Our customers include police agencies and insurance companies, but are mainly State governmental bodies that have or desire to have statutory and/or regulatory databases. Such bodies use our software products to create and maintain statutory/regulatory databases and to draft new statutes/regulations.

Needless to say, if States were able to copy and use our software with impunity from copyright infringement damages, our business would be in big trouble. Our business and the substantial investment of time, effort and money we've made in our software was based on the understanding that such software would be protected from infringement by anyone, including States. The availability of injunctive relief is simply not enough of a remedy to provide practical protection for a small company such as ours from States with relatively unlimited legal resources who may wish to use our software products without paying license fees. The recent cases granting States protection under the Eleventh Amendment against what would otherwise be copyright infringement damages are thus very troubling to us. If these cases are not corrected on appeal, we hope that the Copyright Office and Congress will take action to make States liable to copyright damages suits.

Cordially

  
Kenneth I. Zeigler  
Executive Vice President

KIZ/lh

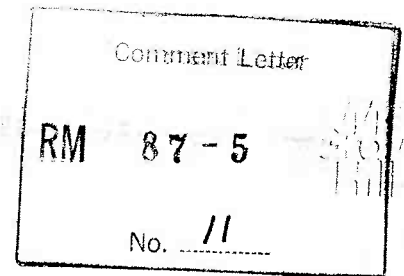
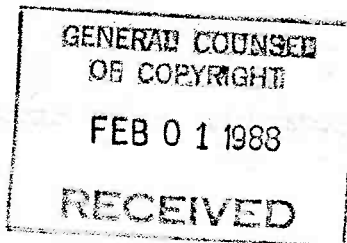
Data Retrieval Corporation



**McGraw-Hill, Inc.**

1221 Avenue of the Americas  
New York, New York 10020  
Telephone 212/512-4064

Katherine D. Roome  
Assistant General Counsel



January 27, 1988

Dorothy M. Schrader, Esq.  
Office of the General Counsel  
Department 100  
Copyright Office  
Library of Congress  
Washington, D.C. 20559

Re: Copyright Office Request for Information  
Concerning Eleventh Amendment Immunity  
52 Fed. Reg. 42,045-42,046 (November 2, 1987)

Dear Ms. Schrader:

On behalf of McGraw-Hill, Inc., I would like to submit comments in response to the request of the Copyright Office for information relating to the issue of Eleventh Amendment immunity of states from suit for money damages arising out of copyright infringement cases.

By way of background, McGraw-Hill is, as you may know, a leading publisher in the elementary/high school and college textbook markets. In addition, McGraw-Hill sells testing and scoring materials to these same markets through its CTB/McGraw-Hill division. McGraw-Hill also distributes a number of other products, including software and database products, to the state sector. All of these McGraw-Hill businesses depend upon the significant protections afforded copyright owners under the Constitution and the 1976 Copyright Act.

It would be difficult for McGraw-Hill to exaggerate the nearly crippling effect on McGraw-Hill's various businesses if either the decision in BV Engineering v. University of California, Los Angeles is upheld by the Ninth Circuit or if the holding set forth in that case is followed in a number of other jurisdictions.

As a preliminary matter, it might be noted that the percentage of revenue derived by McGraw-Hill from state agencies has increased significantly over the past several years as state governments have assumed portions of what was previously the federal government's responsibility for providing educational services. We believe that this trend toward state funding in education will continue to increase the percentage of revenue derived by McGraw-Hill from state agencies in the future.

To illustrate the potential effect of this decision on McGraw-Hill, the McGraw-Hill School Division may serve as a useful example. Over 40% of McGraw-Hill School Division's textbook sales are made directly to state educational agencies. These sales alone represent several tens of millions of dollars of revenue to McGraw-Hill. Should the view prevail that states are immune from damages in copyright infringement cases -- even where the infringement is found to have been deliberate and pervasive -- the inevitable result, given the financial constraints under which most state-funded agencies operate, would be that individual schools will buy one or two copies of a selected textbook and then reproduce copies of that book with the ultimate result that the total market for these products will be reduced to a small fraction of its current value.

To take a second example, McGraw-Hill's College Division, representing one of the largest college textbook publishers, derives approximately 75% of its revenues from state supported colleges and universities. Again, the effect of this California decision on this business -- and indeed on the textbook industry as a whole -- is potentially devastating.

The possibility that McGraw-Hill might be able to obtain injunctive relief against this infringement of its proprietary material would do little or nothing to ameliorate the effect of such a result. Not only would it be prohibitively expensive for McGraw-Hill to even attempt to obtain injunctive relief as against each of these state agencies but it is also doubtful whether any vendor can bring a systematic series of lawsuits against its customer base and expect to retain a significant portion of that business.

McGraw-Hill is aware of the contention raised on behalf of some state governments that, on occasion, pressure has been applied by publishers on state agencies to prohibit copying of proprietary material where such use might arguably constitute "fair use" under the 1976 Copyright Act. While publishers may differ with state authorities over the scope of "fair use", even assuming the states' interpretation to be correct, the more appropriate resolution to this dispute lies in clarification of the limits of fair use through the courts, and not in the complete denial of any meaningful remedy for copyright infringement.

Further, it is our belief that, as a general matter, publishers have made a considerable effort to accomodate the reasonable requests of state agencies with respect to copying proprietary information, if for no other reason than to maintain their position in an extremely competitive market. For example, the McGraw-Hill School Division has in recent years adopted a practice, as have a number of other publishers, whereby a

Dorothy M. Schrader, Esq.  
Page 3  
January 27, 1988

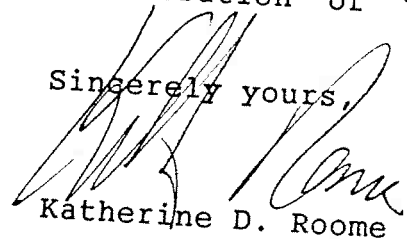
purchaser of 25 or more copies of a particular book is entitled to receive extensive supplementary material free of charge. The supplementary materials typically consist of a free teacher's edition as well as skill and testing materials. In addition, McGraw-Hill provides a duplicating master to the customer in order to facilitate copying of the skill and testing materials. It is worth noting that these adjustments have been made in the context of an industry that is not only very competitive but that typically yields relatively slim profit margins.

In light of the above, it is no exaggeration to assert that if state agencies are held to be immune from suit for money damages arising out of copyright infringement lawsuits, publishers such as McGraw-Hill will be forced to reevaluate their presence in the educational market on all levels. The most likely result of such a reevaluation will be sharply decreased competition and a reduction in the number of copyrighted products available to the state educational markets as publishers choose not to assume the unacceptable risks of developing and producing expensive educational materials only to have them infringed by state agencies. Ultimately, there exists the very real possibility that state immunity from liability for copyright infringement could end in an overall decline in the general quality and availability of educational materials.

There will obviously be much legal debate in the ensuing months as to the intended scope of 17 U.S.C. §501(a). However, there is very little question that the principles applied in the case of BV Engineering v. University of California, Los Angeles fly directly in the face of decades of practice and custom and will seriously disrupt dealings between the private publishing sector and state agencies.

Publishers such as McGraw-Hill have been gratified in recent years by what appears to be an increased recognition of the rights of copyright owners among a number of constituencies throughout the world. It is the purpose of this letter to convey McGraw-Hill's hope that this progress will not be dealt a devastating blow through an introduction of the doctrine of state sovereign immunity into the area of copyright infringement. We thank you for your consideration of these comments.

Sincerely yours,



Katherine D. Roome

KDR:wr

cc: Association of American Publishers  
Information Industry Association

PROSKAUER ROSE GOETZ & MENDELSON

2001 L STREET, N.W.

WASHINGTON, D. C. 20036

ON A. BAUMGARTEN  
ROBERT P. HUNTER  
DAVID C. JATLOW  
RICHARD H. ROWE  
RESIDENT PARTNERS

JOAN Z. MCAVOY  
SALLY JANE NOVAK  
PETER B. ROBB

TELEPHONE: (202) 466-7300

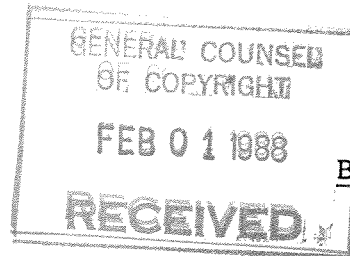
300 PARK AVENUE  
NEW YORK, N. Y. 10022  
TELEPHONE: (212) 909-7000

2029 CENTURY PARK EAST  
LOS ANGELES, CALIF. 90067  
TELEPHONE: (213) 557-2900

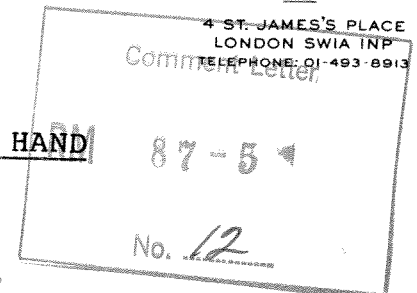
150 EAST PALMETTO PARK ROAD  
BOCA RATON, FLORIDA 33432  
TELEPHONE: (305) 391-9700

February 1, 1988

Dorothy Schrader, Esq.  
General Counsel  
U.S. Copyright Office  
Washington, D.C.



BY HAND



Re: Eleventh Amendment

Dear Ms. Schrader:

On behalf of the Association of American Publishers, Inc. ("AAP") and the Association of American University Presses, Inc. ("AAUP") we hereby respond to the Copyright Office's "Request for Information" concerning Eleventh Amendment-copyright issues. 52 Fed. Reg. 42045 (Nov. 2, 1987).

In light of the recent line of decisions cited in the Office's Request (n. 4), this inquiry into problems of enforcing copyright rights against state governments is welcome. However, AAP and AAUP believe it most important to stress one overriding consideration at the outset: unlike other areas where the Copyright Office has conducted studies, no "balancing" of different legitimate interests is involved here. The Eleventh Amendment issue raises only the question of whether a segment of the populace -- and a vital market segment, as well as one that should bear its "sovereign" mantle with responsibility, at that -- should be effectively insulated from both claims of, and meaningful remedies for, infringement of private rights. To the AAP, the answer to this question is clearly no, and the "practical problems" raised by decisions to the contrary are quite ominous.

The AAP is a trade association of book publishers. Its approximately 300 members publish between 70% and 75% of the dollar volume of all books published in the United States. The AAUP is a not-for-profit association of university presses. Its 80 members include the presses of virtually every distinguished university in the United States, as well as several Canadian and international scholarly publishers. AAP and AAUP members produce and distribute trade, text, scientific and technical, professional and reference, and other books; journals and periodicals; a variety of educational materials in various media; computer software and data bases; and engage in many other activities at whose core are copyrighted works. They do this in

myriad markets: their customers are individuals, large and small corporations, public and private universities, and governmental entities of all types -- federal and state agencies, military services, school systems, libraries, and virtually every other type of public entity.

Until recently, it has been clear that all customers (save perhaps the federal government, see 28 U.S.C. §1498(b)), stood on an equal copyright footing, viz., that their violations of the exclusive rights in 17 U.S.C. §106, if not exempt by an express provision in the Copyright Law, were subject to the full panoply of remedies found in 17 U.S.C. §§502-505.<sup>1/</sup> And the limitations and exemptions in the Copyright Act were carefully crafted after lengthy, attentive Congressional consideration to both the legitimate needs of users of copyrighted works and their impact upon copyright owners. Recent developments now suggest, however, that by virtue of the Eleventh Amendment, states and state entities may infringe copyrights in blunderbuss fashion with substantial security against meaningful action by copyright owners, and that the delicate structure of the Copyright Act will be impaired.

AAP and AAUP members publish textbooks, anthologies, scholarly, professional and reference works, workbooks and other "consumables," and software and data bases, precisely for educational and other institutions and agencies that commonly include many state instrumentalities. They rely on states and state entities for a substantial portion of their income. The effect of Eleventh Amendment immunity is hardly ancillary or unimportant to their interests (indeed, small specialized publishers may find their entire businesses endangered); and it is contrary to the public interest because it diminishes the economic incentive and ability to publish other works in all markets.

A brief review of the characteristics of the (thus-far) prevailing defendants in recent Eleventh Amendment-copyright litigation only begins to demonstrate the scope of the present problem. In addition to one state, the following entities have been held immune:

- State-run universities<sup>2/</sup>

<sup>1/</sup> The federal government is, however, subject to monetary remedies for copyright infringement. Id. And the Copyright Office has recently reaffirmed the principle that sovereign authorities must respect the rights of copyright owners. Second Report of the Register of Copyrights, Library Reproduction of Copyrighted Works (17 U.S.C. § 108) 37-38. (January 1988).

<sup>2/</sup> Richard Anderson Photography v. Radford University, 633 F.Supp. 1154 (W.D. Va. 1986).

- Boards of such universities<sup>3/</sup>
- State "cabinet" agencies,<sup>4/</sup> and
- State officials<sup>5/</sup>

The "practical problem" posed by this immunity is substantial, and potentially immense. AAP estimates, for example, that in 1986, publishers in the United States sold \$1.4 billion worth of college and university textbooks.<sup>6/</sup> According to the Department of Education, 77.4 per cent of the university and graduate students in this country attend state-run institutions.<sup>7/</sup> This means, assuming that book usage is the same at public and private institutions, that \$1.1 billion, at a minimum, is a fair estimate of the partial volume of book sales to entities with potential Eleventh Amendment immunity, who, by photocopying or otherwise, may severely erode that market.

Additional sales to state entities of non-textbook materials, and sales to such entities outside this limited college/university market, are also most substantial, but difficult to estimate. Moreover, states could structure the ways in which local, municipal, and other subordinate units of government (e.g., school districts) are created, funded, or do business so as to cloak them with "state" authority and immunize them from liability for copyright damages, even if that immunity is not in place today. At all events, state-related markets are unquestionably large and substantially jeopardized by recent Eleventh Amendment-copyright developments.

That several state Attorneys General have issued copyright guidelines does, indeed, "suggest that these states recognized their liability under the federal copyright statutes." 52 Fed. Reg. at 42046. But this is small comfort, since almost all of the opinions cited by the Copyright Office antedate the Supreme Court's decision in Atascadero State Hospital v. Scanlon, 473 U.S. 234 (1985). Indeed, the quoted effect of the pre-Atascadero

<sup>3/</sup> Richard Anderson Photography, supra; BV Engineering v. UCLA, 3 U.S.P.Q. 2d 1054 (D. Cal. 1987); Cardinal Industries v. Anderson Parrish Assocs., 811 F.2d 609 (11th Cir. 1987), cert. den. \_\_\_\_ U.S. \_\_\_\_ (1987).

<sup>4/</sup> Mihalek Corp. v. Michigan, 595 F.Supp. 903 (E.D. Mich. 1984), aff'd on other grounds, 814 F.2d 290 (6th Cir. 1987), cert. den. \_\_\_\_ U.S. \_\_\_\_ (1988); Woelffer v. Happy States of America, Inc., 626 F.Supp. 499 (N.D. Ill. 1985).

<sup>5/</sup> Mihalek, supra; Woelffer, supra.

<sup>6/</sup> This estimate includes data from AAP members and estimates concerning non-AAP publishers.

<sup>7/</sup> Department of Education Bulletin, February 1987.

opinions in Florida and California may already have been eroded by those states' successful interposition of Eleventh Amendment defenses to copyright infringement claims in Cardinal Industries and BV, respectively. Of course one would hope that the Attorneys General of those states, and other state officials, will not confuse immunity from monetary remedies with a principled lawfulness of conduct, and that they will not retreat from or create new barriers to responsible adherence to copyright law. But copyright rights are to be granted and (carefully) limited by the Congress, not by the whim of state officials. (It must be noted that the Eleventh Amendment copyright cases do not purport to legitimize any activity as "non-infringing" in substance; they do impose debilitating obstacles to effective action against claimed infringement. In sum, the cases permit evasion of legal obligations that themselves are not contested or, as noted below, of claims that are at the very least entitled to be tested in the courts. Particularly in the copyright context, where no other road -- save for Federal courts -- or relief -- save all statutory remedies for infringement -- is available, Eleventh Amendment immunity thus offends vital principles of our democratic society and of our international obligations.)

While, under the decisions, some manner of injunctive relief may remain available in theory,<sup>8/</sup> this form of relief alone is not an adequate remedy to the "practical problems" posed by immunity:

By their nature, injunctions can merely "forestall future violations." United States v. Oregon State Medical Society, 343 U.S. 326, 333 (1952). Injunctions, unlike damages, do not provide any degree of recompense to aggrieved copyright owners for infringements that have already occurred, or for markets that have been substantially eroded, if not destroyed. Nor are they available without a likelihood of repeated harm by the infringing party. A limitation to injunctive relief would eliminate any real possibility of favorable settlement for copyright owners and would permit [and, indeed, invite] the continuation of infringing activity by great numbers of entities, until in each separate case the particular infringement happens to be detected and an injunction obtained. Moreover, it should be noted that copyright

<sup>8/</sup> The availability of injunctive relief emphasizes that application of Eleventh Amendment immunity in copyright cases only serves to permit evasion of legal obligations by the principal entities that should be held responsible.



infringement, for example of computer software, is particularly unsusceptible to detection as compared to most wrongs traditionally remedied by injunctive relief. Injunctive relief is thus likely to be even less effective in forestalling serious harm than usual. [Brief Amici Curiae of the AAP, AAUP, et al. in BV Engineering v. UCLA before the United States Court of Appeals for the Ninth Circuit at 11, n. 4.]

Current Eleventh Amendment developments, if sustained, will thus also present a new and unwarranted enforcement burden on all copyright owners, not just those represented by AAP. Owners whose works are used by immune entities will have to consider devising systems to monitor closely state and customer behavior since their only remedy will be an injunction that, for the most part, can only be sought after infringing activities have begun or, in some cases, upon clearly demonstrable threat of infringing conduct. Such a regime, in addition to posing unacceptable and, likely, unavailing and unworkable new enforcement burdens on copyright owners and, perhaps, unnecessary intrusion into uses of copyrighted works, reflects inappropriate and unwarranted application of Eleventh Amendment doctrine to copyright cases.

The AAP and AAUP have filed briefs amici curiae in the Court of Appeals for the Fourth and Ninth Circuits in Richard Anderson Photography and BV, respectively. Rather than repeating our arguments in detail, we have enclosed a copy of the BV brief for your use, and will simply recapitulate the major points here:

1. The copyright clause of the Constitution (Art. I, §8, cl. 8) provides Congress with the power to "abrogate" states' claims of Eleventh Amendment immunity in copyright cases. (A quite recent case, decided contemporaneously with the submission of our brief in BV, expressly holds -- in accord with earlier authority -- that the Congress may abrogate Eleventh Amendment immunity under its Article I powers. United States v. Union Gas Co., \_\_\_ F.2d \_\_\_ [1987 U.S. App. LEXIS 14575] (3d Cir. 1987)).
2. When it enacted the present copyright law, Congress unmistakably expressed its clear intention to abrogate state immunity. Numerous provisions in the copyright law reflect that intent, including:
  - §501(a): "Anyone who violates any of the exclusive rights of the copyright owner . . . is an infringer of the copyright."



- §118(d)(3): Government bodies<sup>9/</sup> that receive a reproduction of a transmission program and fail to destroy it "shall be deemed to have infringed."
- §602(a)(1): Exemptions from infringement liability for "importation . . . under the authority or for the use of . . . any state or political subdivision of a state . . . ."
- §110(1),(2),(6), and (8): Exemptions for "governmental bodies"<sup>10/</sup> and "nonprofit educational institutions" (which are often run by states and their entities).
- §111(a)(4): Exemption for "governmental body"<sup>11/</sup> and
- §112(b),(c), and (d): Exemptions for "governmental bodies."<sup>12/</sup>

Taken together, these provisions demonstrate that Congress believed that §501's imposition of liability on "anyone" who infringes a copyright must run to states and state entities, since otherwise their exemptions would be unnecessary. Because Congress did not intend states to be immune, these provisions are not mere surplusage.

3. The fabric of the complete copyright system demonstrates Congress' intent to abrogate state immunity:

<sup>9/</sup> The phrase "governmental bodies" was used throughout the copyright revision program to include state entities. See House Comm. on the Judiciary, Copyright Law Revision, "Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law," 87th Cong., 1st Sess. at 129 (Comm. Print July 1961), expressly noting that the law contained "nothing to prevent governmental bodies, at least of the States, from securing copyright . . . ." (emphasis added). Cf. 11 U.S.C. §101(26) ("governmental units" in Bankruptcy Code includes states).

<sup>10/</sup> See n. 9.

<sup>11/</sup> See n. 9.

<sup>12/</sup> See n. 9.

- In Goldstein v. California, 412 U.S. 546, 560 (1973), the Supreme Court described the copyright law's effects as "pervasive," and stated that "no citizen or State may escape its reach." In revising the Copyright Act in its entirety three years later, Congress took no action and left no trace suggesting otherwise with respect to state liability.
- 28 U.S.C. §1338(a) grants federal courts exclusive jurisdiction over copyright cases. In the Supreme Court's Eleventh Amendment cases, the effect of immunity has been to require plaintiffs to seek relief in other available fora. The recent Eleventh Amendment-copyright cases can thus be correct only if it is assumed Congress intended to divest copyright owners of meaningful relief from infringement against state entities, and to leave such entities substantially free to infringe. There is not the slightest shred of evidence that Congress so intended, and there is extensive evidence to the contrary.

The gravity of all copyright owners' demonstrable problems caused by an Eleventh Amendment bar to suits for money damages must not be in any fashion "weighed" with general allegations that "some copyright owners or their representatives may have put undue pressure on state governments to pay for their uses of copyrighted works that might, in fact, be 'fair use' [or otherwise exempt]." 52 Fed. Reg. at 42046 (emphasis added). In demonstrated, individual cases of abusive or baseless assertions, there are existing possibilities of judicial and even, if broadly warranted, legislative redress. It must also be noted that a maintenance of immunity on grounds of alleged, isolated conduct will deprive the broader class of all copyright owners, as well as state entities, of meaningful opportunity (because ineffective relief will diminish any inducement to take action) even to test the legality of debated conduct. The basic entitlement to one's "day in court" will be lost.

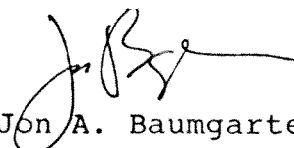
The AAP urges the Copyright Office to make clear to Congress the copyright law's anticipation of full state liability and subjection to all remedies for infringement, and the unfairness of using the Eleventh Amendment to bar copyright suits for

- 8 -

damages; and to support the adoption of appropriate corrective legislation if courts continue to conclude that states are immune.

Thank you for the opportunity to present these comments.

Respectfully,



Jon A. Baumgarten

No. 87-5920

---

**UNITED STATES COURT OF APPEALS  
FOR THE NINTH CIRCUIT**

---

BV ENGINEERING,

*Plaintiff-Appellant,*

-against-

UNIVERSITY OF CALIFORNIA, LOS ANGELES

*Defendant-Appellee.*

---

ON APPEAL FROM THE UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA

---

---

**BRIEF AMICI CURIAE OF THE ASSOCIATION OF AMERICAN  
PUBLISHERS, INC., THE ASSOCIATION OF AMERICAN  
UNIVERSITY PRESSES, INC., THE INFORMATION INDUSTRY  
ASSOCIATION, AND THE COMPUTER SOFTWARE AND  
'SERVICES INDUSTRY ASSOCIATION (ADAPSO)**

---

PROSKAUER ROSE GOETZ & MENDELSON  
*Attorneys for Amici Curiae*  
300 Park Avenue  
New York, New York 10022  
(212) 909-7032

*Of Counsel*

Jon A. Baumgarten  
Charles S. Sims  
Christopher A. Meyer  
Andrew W. Reich

---

## TABLE OF CONTENTS

	Page
TABLE OF AUTHORITIES .....	(ii)
INTEREST OF <u>AMICI CURIAE</u> .....	1
ARGUMENT .....	3
I. THE COPYRIGHT CLAUSE EMPOWERS CONGRESS TO ABROGATE THE STATES' IMMUNITY TO SUIT FOR COPYRIGHT INFRINGEMENT IN FEDERAL COURT .....	6
II. IN THE COPYRIGHT ACT CONGRESS EXPRESSED IN UNMISTAKABLE LANGUAGE ITS CLEAR INTENTION TO ABROGATE STATE IMMUNITY .....	9
A. Numerous Provisions of the Copyright Act Demonstrate Congress' Intention to Abrogate the Eleventh Amendment .....	10
B. The Statutory Scheme Shows Congress' Intent to Abrogate the States' Eleventh Amendment Immunity .....	17
CONCLUSION .....	19

# TABLE OF AUTHORITIES

<u>CASES</u>	<u>Page</u>
<u>Atascadero State Hospital v. Scanlon,</u> 473 U.S. 234 (1985) .....	3,4,8,10,
<u>BV Engineering v. University of California,</u> <u>Los Angeles,</u> 657 F. Supp. 1246 (C.D. Cal. 1987) .....	6
<u>County of Monroe v. Florida,</u> 678 F.2d 1124 (2d Cir. 1982), <u>cert. denied,</u> 459 U.S. 1104 (1983) .....	9
<u>County of Oneida v. Oneida Indian Nation,</u> 470 U.S. 226 (1985) .....	8
<u>Employees v. Missouri Dep't of Public</u> <u>Health and Welfare,</u> 411 U.S. 279 (1973) .....	3
<u>Fitzpatrick v. Bitzer,</u> 427 U.S. 445 (1976) .....	8
<u>Goldstein v. California,</u> 412 U.S. 546 (1973) .....	17
<u>Green v. Mansour,</u> 474 U.S. 64 (1985) .....	7
<u>In re McVey Trucking, Inc.,</u> 812 F.2d 311 (7th Cir. 1987) .....	8,13
<u>In re Vazquez, Guerrero and Compton,</u> 788 F.2d 130 (3d Cir.), <u>cert. denied,</u> 107 S. Ct. 414 (1986) .....	9
<u>Johnson v. University of Virginia,</u> 606 F. Supp. 321 (D. Va. 1985) .....	11
<u>Mills Music, Inc. v. State of Arizona,</u> 591 F.2d 1278 (9th Cir. 1979) .....	9,11
<u>Patsy v. Board of Regents,</u> 457 U.S. 496 (1982) .....	14

	<u>Page</u>
<b>CASES (cont'd)</b>	
<u>Peel v. Florida Dep't of Transportation,</u> 600 F.2d 1070 (5th Cir. 1979) .....	9
<u>Pennhurst State School and Hospital v.</u> <u>Halderman, 405 U.S. 89 (1984) .....</u>	4
<u>Penn Terra Ltd. v. Dep't of Environmental</u> <u>Resources, 733 F.2d 267 (3d Cir. 1984) .....</u>	14
<u>United States v. Oregon State Medical Society,</u> 343 U.S. 326 (1952) .....	11
<u>Welch v. State Dep't of Highways,</u> 107 S. Ct. 2941 (1987) .....	4,6,7,8,1 12

## CONSTITUTIONAL PROVISIONS AND STATUTES

### U.S. Constitution

art. I, § 8, cl. 8 .....	7,9
art. IV, § 2, cl. 2 .....	9
amend. XI .....	passim
amend. XIV § 5 .....	8
Copyright Revision Act of 1976, 17 U.S.C. §§ 101 <u>et seq.</u>	
§ 106 .....	10,17
§ 110(1), (2), (6), (8) .....	16
§ 111(a)(4) .....	16
§ 112(b), (c), (d) .....	17
§ 118(d)(3) .....	13
§ 301(a) .....	4,17
§ 501(a) .....	6,10,12, 13

	<u>Page</u>
CONSTITUTIONAL PROVISIONS AND STATUTES (cont'd)	
§ 502 .....	11
§ 504 .....	11
§ 601(a), (b)(3) .....	15
§ 602(a), (a)(1) .....	14,15
11 U.S.C. § 101 (26) .....	13
28 U.S.C. § 1338(a) .....	4,17,18
42 U.S.C. § 1983 .....	14

#### CONGRESSIONAL REPORTS

House Comm. on the Judiciary, <u>Copyrights Act</u> , H.R. Rep. No. 1476, 94th Cong., 2d Sess. 168, <u>reprinted in</u> 1976 U.S. Code Cong. & Admin. News 5659 .....	15,16
House Comm. on the Judiciary, <u>Copyright Law</u> <u>Revision</u> , "Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law," 87th Cong., 1st Sess. at 129 (Comm. Print July 1961) .....	13,18
Senate Comm. on the Judiciary, <u>Copyright Law</u> <u>Revision Study No. 33</u> , "Copyright in Government Publications," 86th Cong., 2d Sess. at 10 (Comm. Print 1961) .....	18

#### MISCELLANEOUS

1 M. Nimmer, <u>Nimmer on Copyright</u> § 5.06[A] n.1 (1986) .....	18
Note, <u>The Applicability of Eleventh Amendment</u> <u>Immunity Under the Copyright Acts of 1901 and 1976</u> , 36 Am. Univ. L. Rev. 163 (1986) .....	5



UNITED STATES COURT OF APPEALS  
FOR THE NINTH CIRCUIT

---

BV ENGINEERING,

Plaintiff-Appellant,

Docket No. 87-5920

-against-

UNIVERSITY OF CALIFORNIA, LOS ANGELES

Defendant-Appellee.

---

BRIEF AMICI CURIAE OF THE ASSOCIATION  
OF AMERICAN PUBLISHERS, INC., THE ASSOCIATION  
OF AMERICAN UNIVERSITY PRESSES, INC.,  
THE INFORMATION INDUSTRY ASSOCIATION, AND  
THE COMPUTER SOFTWARE AND SERVICES  
INDUSTRY ASSOCIATION, INC. (ADAPSO)

INTEREST OF AMICI CURIAE

When Congress made the Copyright Act of 1976, 17 U.S.C. § 101 et seq., the exclusive remedy for claims of copyright infringement, and when it vested exclusive jurisdiction in the federal courts to hear copyright claims, it intended to provide a comprehensive mechanism to govern all copyright matters in this country, and to provide effective remedies for all copyright infringements. The district court nevertheless held that the Eleventh Amendment immunizes the states from the strictures of the Copyright Act.

Pursuant to the order granting their motion for leave to file, the Association of American Publishers, Inc.,

the Association of American University Presses, Inc., the Information Industry Association, and the Computer Software and Services Industry Association, Inc. (ADAPSO) submit this brief, amici curiae to urge this Court to reverse the judgment below. Amici represent hundreds of publishers, information brokers, and software houses who will have no meaningful protection from copyright infringement by states and state entities if the district court's decision is upheld.

The Association of American Publishers is a trade association of book publishers. Its approximately 300 members publish between 70% and 75% of the dollar volume of all books published in the United States. Its members' publications include textbooks and technical and reference books, as well as works of fiction and general non-fiction.

The Association of American University Presses is a not-for-profit association of university presses. Its 80 members include the presses of virtually every distinguished university in the United States, as well as several Canadian and international scholarly publishers.

The Information Industry Association is a trade association representing more than 500 information publishers and service organizations. Its members gather, organize and distribute a wide range of information products and services,

including databases and specialized reporters, to paying customers and subscribers.

The Computer Software and Services Industries Association (ADAPSO) is a trade association of this nation's computer software and services industry. Its 950 corporate members provide software for mainframe, mini- and microcomputers, professional software consulting, design, and programming services, integrated hardware/software systems, and network-based information services.

Amici and their members have a direct and compelling interest in this case. All depend on competitors' and customers' respect for the property rights guaranteed by § 106 of the Copyright Act. Most importantly, all market their copyrighted works to states and state entities.

#### ARGUMENT

In most Eleventh Amendment cases, "the issue is not the general immunity of the States from private suit . . . but merely the susceptibility of the States to suit before federal tribunals." Atascadero State Hospital v. Scanlon, 473 U.S. 234, 240 n.2 (1985) (emphasis in original) (quoting Employees v. Missouri Dep't of Public Health and Welfare, 411 U.S. 279, 293-94 (1973) (Marshall, J., concurring in result)). Thus, wherever the Eleventh Amendment has

been found to preclude federal court jurisdiction, some other forum has been available. See, e.g., Atascadero State Hospital v. Scanlon, 473 U.S. at 240 n.2 ("It denigrates the judges who serve on the State courts to suggest that they will not enforce the supreme law of the land"); Pennhurst State School and Hospital v. Halderman, 465 U.S. 89, 121-123 (1984) (requiring pendent state law claims to be brought in state court); Welch v. State Dep't of Highways, 107 S. Ct. 2941, 2953 n.19 (1987) (alternative forum available).

But no other forum except the federal courts is available for claims of copyright infringement. Congress gave the federal courts exclusive jurisdiction over copyright claims, 28 U.S.C. § 1338(a), and made federal suits under the Copyright Act the exclusive means to obtain relief, 17 U.S.C. § 301(a). The decision of the district court therefore leaves states and state entities free to disregard the Copyright Act and to violate the substantive property rights the Copyright Act guaranteed. The district court, in short, rendered not only a jurisdictional holding concerning the Eleventh Amendment, but also an extremely restrictive substantive holding concerning the scope of the Copyright Act. Its decision can be correct only if Congress intended to leave states free to infringe copyrights at will. There is, however, no evidence that Congress so intended, and extensive evidence exactly to the contrary.

The impact on copyright owners of a decision upholding the district court's judgment would be devastating. The states and their agencies and institutions use countless copyrighted materials of amici and others - text, reference and other books, training manuals, films, videos, computer software and on-line databases.<sup>1</sup> The district court's decision improperly gives states a license to appropriate and to widely disseminate copyrighted works without permission and without paying a purchase price or royalties.

The district court correctly realized that this case requires a two-pronged inquiry: (1) whether Congress, pursuant to a plenary power articulated in the Constitution, has the power to override the presumptive immunity of states from suit in federal court; and (2) whether Congress exercised this power in the Copyright Act to subject states to suits for damages in federal court. As to the first prong, the district court examined the many Eleventh Amendment decisions by the Supreme Court and properly concluded that these decisions allow Congress to abrogate state immunity to suit pursuant to any of its powers, particularly those specific and vital powers delegated in the Copyright and Patent Clause of the Constitution.

---

<sup>1</sup> See Note, The Applicability of Eleventh Amendment Immunity Under the Copyright Acts of 1901 and 1976, 36 Am. Univ. L. Rev. 163, 165 (1986).

As to the second prong, however, the district court erroneously concluded that Congress had not, in the Copyright Act, exercised its power to abrogate state immunity according to what the court believed were the controlling standards. The court's entire reasoning on this point was that § 501 of the Copyright Act -- which entitles the owner of a copyright "to institute any action for any infringement" by "anyone who violates" the copyright -- contains no "express statement that the state is included in the general phrase 'anyone.'" BV Engineering v. University of California, Los Angeles, 657 F. Supp. 1246, 1250 (C.D. Cal. 1987). The court thus ignored both the many provisions throughout the Copyright Act that manifested Congress' intent to abrogate state immunity, and the express statutory scheme that was plainly intended to provide claimants with a forum and effective remedies for copyright infringement no matter who the infringer might be. The court's conclusion is simply impossible to square with the congressional scheme for the full protection of intellectual property by the federal courts.

**I. THE COPYRIGHT CLAUSE EMPOWERS CONGRESS TO ABROGATE THE STATES' IMMUNITY TO SUIT FOR COPYRIGHT INFRINGEMENT IN FEDERAL COURT**

One of the "certain exceptions to the reach of the Eleventh Amendment," Welch v. State Dep't of Highways, 107 S. Ct. at 2945, arises when Congress, pursuant to its plen-

ary power, provides for a cause of action in federal court against the states:

Because of the Eleventh Amendment, States may not be sued in federal court unless they consent to it in unequivocal terms or unless Congress, pursuant to a valid exercise of power, unequivocally expresses its intent to abrogate the immunity.

Green v. Mansour, 474 U.S. 64, 68 (1985) (emphasis added).

The Copyright Act was enacted pursuant to a direct constitutional grant of power, the Copyright and Patent Clause, Art. I, § 8, cl. 8. As the district court correctly concluded, that constitutional source fully empowers Congress to abrogate the states' Eleventh Amendment immunity with respect to copyright, and to subject state entities -- in common with all other alleged copyright infringers -- to suit federal court.

There is no basis to doubt that Congress can rely on any of its powers (including those in Article I) to subject states to suit in federal court on federal causes of action. In Green v. Mansour, the Court did not limit Congressional power to the Fourteenth Amendment, but broadly declared that Congress may abrogate state immunity "pursuant to a valid exercise of power." In two other cases, the Court has assumed, without deciding, that Congress may abrogate state immunity under Article I. Welch v. State Dep't of

Highways, 107 S. Ct. at 2943; County of Oneida v. Oneida Indian Nation, 470 U.S. 226, 252-53 (1985).

Neither the Court nor any Justice has ever suggested a rationale that would give Congress the power to abrogate state immunity when it acts under Section 5 of the Fourteenth Amendment, a power expressly recognized in Fitzpatrick v. Bitzer, 427 U.S. 445 (1976), but not when it acts under its other plenary powers. In Welch v. State Dep't of Highways, the Court set forth the persuasive rationale for concluding that Congress does have authority to abrogate a state's immunity to suit in federal court under its other powers:

By ratifying the Constitution, the argument [for such an authority] runs, the States necessarily consented to suit in federal court with respect to enactments under [a Constitutional Clause authorizing Congressional regulation].

107 S., Ct. at 2947 n.5.

This rationale has been adopted by courts of appeal considering the issue, which have all concluded that there is no constitutionally significant way to distinguish Congress' Fourteenth Amendment power from any of its Article I powers. See In re McVey Trucking, Inc., 812 F.2d 311, 314-23 (7th Cir. 1987) (discussing Atascadero and its predecessors, and concluding, after extensive analysis, that the various Congressional plenary powers cannot be distinguished);



In Re Vazquez, Guerrero and Compton, 788 F.2d 130, 132 (3d Cir.), cert. denied, 107 S. Ct. 414 (1986) (abrogation of Eleventh Amendment immunity under Bankruptcy Clause); Mills Music, Inc. v. State of Arizona, 591 F.2d 1278, 1285 (9th Cir. 1979) ("[T]he Copyright and Patent Clause is a specific grant of constitutional power that contains inherent limitations on state sovereignty . . . . [I]t is clear that the abrogation of a state's Eleventh Amendment immunity is inherent in the Copyright and Patent Clause and the Copyright Act"); County of Monroe v. Florida, 678 F.2d 1124, 1132 n.8, 1133 (2d Cir. 1982), cert. denied, 459 U.S. 1104 (1983) (Congress may, pursuant to Art. IV, § 2, cl. 2, abrogate state immunity from suit on extradition-related claims); Peel v. Florida Dep't of Transportation, 600 F.2d 1070, 1080-81 (5th Cir. 1979) (Congress may abrogate state immunity in an act passed pursuant to the war powers in Art. I, § 8).

**II. IN THE COPYRIGHT ACT CONGRESS EXPRESSED IN UNMISTAKABLE LANGUAGE ITS CLEAR INTENTION TO ABROGATE STATE IMMUNITY**

If, as we have argued, Congress has the power to subject the defendant state university to liability for copyright infringement in federal court, then the only question remaining is whether Congress has exercised that power. This Circuit appears to have conclusively answered that question in a manner precluding any single panel from upholding the judgment below. Mills Music, Inc. v. State of Arizona, 591

F.2d 1278 (9th Cir. 1979). Assuming that the question is open, however, the answer to the question here is plainly "yes," under traditional standards, and even under the more demanding standards that the Supreme Court has recently announced.<sup>2</sup> In the Copyright Act, Congress clearly expressed its intent to abrogate state immunity both in specific statutory provisions and in a statutory scheme carefully designed to provide claimants with a forum in which to seek effective remedies for copyright infringement by any infringers, including states and state entities.

**A. Numerous Provisions of the Copyright Act Demonstrate Congress' Intention to Abrogate the Eleventh Amendment**

The Copyright Act encourages the production of artistic or literary works by granting authors and publishers valuable and enforceable rights, such as the exclusive rights to reproduce and distribute copyrighted works. § 106. Section 501(a) provides that "Anyone who violates any of the exclusive rights of the copyright owner . . . is an infringer

---

<sup>2</sup> Where, as here, upholding Eleventh Amendment immunity would entirely deprive a litigant of any forum to pursue a federal claim, the correct question the courts should ask is whether Congress has intended to create a cause of action against states, not whether it has intended to subject states to suit in federal court, and the stringent requirements of Atascadero State Hospital v. Scanlon, and Welch v. State Dep't of Highways, should not apply. But this court need not reach that conclusion since, as will be shown, even those stringent requirements are met here.

of the copyright" (emphasis added).<sup>3</sup> Infringers of copyright may be sued for damages and injunctions (§§ 502, 504).<sup>4</sup>

- 3 This Court has already held that the Copyright Act's general authorization for suit against "anyone" is sufficiently broad to include the States. Mills Music, Inc. v. State of Arizona, 591 F.2d at 1285 (decided under § 101 of the 1909 Copyright Act, which authorized a civil suit for damages against "any person" who infringed a copyright) ("The language of the statute is sweeping and without apparent limitation, suggesting that Congress intended to include states within the class of defendants"). See also Johnson v. University of Virginia, 606 F. Supp. 321, 324 (D. Va. 1985) (reasoning that "the language of the 1976 Act is at least as sweeping, and probably more sweeping, than the language of the 1909 Act in identifying the class of defendants subject to copyright infringement suits" and concluding, based on Mills Music's analysis of the 1909 Act and the court's examination of the language of the 1976 Act, that "the 1976 Act waived the states' Eleventh Amendment immunity from liability for damages and equitable relief for copyright infringements").
- 4 While under the district court's opinion some manner of injunctive relief may remain available, Congress could not have considered injunctions alone to be an adequate remedy for copyright infringement. By their nature, injunctions can merely "forestall future violations." United States v. Oregon State Medical Society, 343 U.S. 326, 333 (1952). Injunctions, unlike damages, do not provide any degree of recompense to aggrieved copyright owners for infringements that have already occurred, or for markets that have been substantially eroded, if not destroyed. Nor are they available without a likelihood of repeated harm by the infringing party. A limitation of injunctive relief would eliminate any real possibility of favorable settlement for copyright owners and would permit the continuation of infringing activity by great numbers of entities, until in each separate case the particular infringement happens to be detected and a injunction obtained. Moreover, it should be noted that copyright infringement, for example of computer software, is particularly unsusceptible to detection as compared to most wrongs traditionally remedied by injunctive relief. Injunctive relief is thus likely to be even less effective in forestalling serious harm than usual.

When the issue has been not whether Congress intended to create a remedy at all but only in what courts the remedy could be obtained, the Supreme Court has held that a mere "general authorization for suit in federal court" against a class of defendants that, in its generality, literally includes states does not, without more, demonstrate Congressional intent to subject states to suit in federal court. Welch v. State Dep't of Highways, 107 S. Ct. at 2961 (provision in Jones Act extending protection to "any seaman"); Atascadero State Hospital v. Scanlon, 473 U.S. at 246 (provision in Rehabilitation Act of 1973 granting remedies for violations by "any recipient of Federal assistance"). However, the consideration that express abrogation should be required where Congress may have intended suit in state court has no force in the copyright context, where the creation of an infringement cause of action against states was necessarily accompanied by an intent to abrogate the states' Eleventh Amendment immunity.

Of equal importance is the fact that, unlike statutes that the Supreme Court has recently found do not sufficiently indicate congressional intention to abrogate Eleventh Amendment immunity, the Copyright Act contains, in addition to the inclusive language in § 501(a), a variety of provisions that specifically show Congress' intent to bring the states within its reach, and to subject them to liability as infring-

ers in the same manner as all other defendants, except where specific exemptions were carefully carved out.<sup>5</sup>

One of these provisions explicitly declares that "governmental bodies" (a term which includes states and state agencies)<sup>6</sup> may be liable as infringers of copyright:

§ 118(d)(3) provides that governmental bodies that receive a reproduction of a transmission program and fail to destroy the reproduction "shall be deemed to have infringed."

A series of exemptions further demonstrates Congress' intent to authorize suits against states in § 501(a). Some of these provisions explicitly refer to the activities of "states," and some use the broader collective term "governmental bodies". All reflect Congress' intention that states be subject to federal copyright suits except when their activities fall within the specifically designated

---

5 See In re McVey Trucking, 812 F.2d at 326 ("[I]n seeking to construe a statute, we do not view any provision in isolation. Rather, we seek to understand a given provision by determining how it fits into the larger statute of which it is a part.").

6 The phrase "governmental bodies" was used throughout the copyright revision program to include state entities. See House Comm. on the Judiciary, Copyright Law Revision, "Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law," 87th Cong., 1st Sess. at 129 (Comm. Print July 1961) (hereinafter "Register's Report"), expressly noting that the law contained "nothing to prevent governmental bodies, at least of the States, from securing copyright . . . ." (emphasis added). Cf. 11 U.S.C. § 101(26) ("governmental units" in Bankruptcy Code includes states).

exemptions. These statutory exemptions expressly and unmistakably demonstrate Congress' intent to abrogate state immunity; unless states were generally liable as infringers, there would have been no reason to provide exemptions for certain state activities.<sup>7</sup>

Thus, for example, § 602(a)(1) provides that the importation of certain material acquired outside the United States -- which § 602(a) renders "an infringement . . . , actionable under section 501" -- does not apply to

importation . . . under the authority or for the use of the Government of the United States or of any State or political subdivision of a State, but not

---

<sup>7</sup> See Penn Terra Ltd. v. Dep't of Environmental Resources, 733 F.2d 267, 271-72 (3d Cir. 1984) (concluding that Congress specifically intended to apply the automatic stay provision of § 362 of the Bankruptcy Code -- which by its terms applied to "all entities" -- to states, since "the fact that Congress created an exception to the automatic stay for certain actions by governmental units implies that such units are otherwise affected by the stay"). The Supreme Court used similar reasoning in holding, in Patsy v. Board of Regents, 457 U.S. 496 (1982), that exhaustion of state administrative remedies is ordinarily not a prerequisite to an action in federal court under 42 U.S.C. § 1983. The Court examined a statute enacted after § 1983 which created "a specific, limited exhaustion requirement for adult prisoners bringing actions pursuant to § 1983," id. at 508, and concluded that the exhaustion provisions of the more recent statute "make sense, and are not superfluous," only if Congress intended that § 1983 contain no general requirement of administrative exhaustion. Id. at 512. The exemptions in the Copyright Act for state activity similarly "make sense, and are not superfluous," only if Congress intended to abrogate state immunity and subject states to suit for copyright infringement.

including copies or phonorecords for use in schools, or copies of any audiovisual work imported for purposes other than archival use.

(emphasis added). In the absence of the § 602(a)(1) exemption, states would clearly be barred from engaging in, causing, or contributing to the prohibited activity, and subject to suit therefor.

Similarly, § 601(b)(3) (since lapsed) provided that the former ban on importation and distribution of certain foreign-manufactured copyrighted material described in § 601(a) did not apply

where importation is sought under the authority or for the use, other than in schools, of the Government of the United States or of any State or political subdivision of a State.

(emphasis added). The same reasoning applies. Congress' enactment of a specific exception proves that the general rule is that states are subject to the Copyright Act.<sup>8</sup>

---

<sup>8</sup> The legislative history of § 601(b)(3), which tracks the language of § 602(a)(1), reveals that these provisions pertain to activity by the state, not merely activity by private parties at the behest of the state: "Clause (3) permits importation of copies for governmental use, other than in schools, by the United States or by 'any State or political subdivision of a State.'" House Comm. on the Judiciary, Copyrights Act, H.R. Rep. No. 1476, 94th Cong., 2d Sess. 168, reprinted in 1976 U.S. Code Cong. & Admin. News 5659, 5784 (hereinafter "House Report") (emphasis added).

Other provisions that specifically exempt state activity from infringement suits confirm that states are otherwise subject to damage claims like all other infringers:

- § 110(1) (exempting performance or display by instructors or pupils in a nonprofit educational institution);<sup>9</sup>
- § 110(2) (exempting performance or display by a "governmental body" or nonprofit educational institution);
- § 110(6) (exempting "governmental bod[ies]" and nonprofit agricultural or horticultural organizations from vicarious liability for performances at "an annual agricultural or horticultural fair or exhibition conducted by such body or organization" (e.g., state fairs));<sup>10</sup>
- § 110(8) (exempting performance specifically designed for blind, deaf, or otherwise handicapped persons, if the performance is transmitted through the facilities of, e.g., "a governmental body");
- § 111(a)(4) (exempting the secondary transmission of a primary transmission embodying a performance or display if the secondary transmission is made by a "governmental body" or other nonprofit organization);

---

<sup>9</sup> See House Report, supra, at 5696 (exemption does not apply to "profit-making institutions such as dance studios and language schools" thus indicating that exemption does apply to state-supported educational institutions).

<sup>10</sup> See House Report, supra, at 5702 (exemption runs "only to the governmental body or nonprofit organization sponsoring the fair").



- § 112(b) (exempting certain copying by "a governmental body" or other nonprofit organization);
- § 112(c) (same as § 112(b));
- § 112(d) (same as § 112(b)).

**B. The Statutory Scheme Shows Congress' Intent to Abrogate the States' Eleventh Amendment Immunity**

Beyond these specific statutory provisions either rendering states liable as infringers or exempting particular state activities from infringement actions, Congress' intent to allow states to be sued in federal court for violating the Copyright Act is shown by the overall structure of the statutory scheme.

First, in § 106, Congress granted to copyright owners exclusive rights, subject only to carefully crafted exemptions. There is no indication that Congress intended these rights to be shared with fifty state governments.<sup>11</sup> Second, in § 301(a), Congress expressly preempted all state copyright laws -- and even state laws equivalent to copyright. Thus, states were not authorized to interfere in any way with the full protection afforded by Congress. Third, 28

---

<sup>11</sup> See Goldstein v. California, 412 U.S. 546, 560 (1973) (discussing, in a case considering a state's anti-piracy statute, the inherently broad reach of federal copyright protection: "When Congress grants an exclusive right or monopoly, its effects are pervasive; no citizen or State may escape its reach") (emphasis added).

U.S.C. § 1338(a) grants to the federal courts exclusive jurisdiction of all actions arising under the federal copyright laws. And fourth, the Copyright Act permits the states themselves to obtain copyright protection. Congress was well aware that states and state entities regularly obtained federal copyright protection for their works.<sup>12</sup> Congress did nothing to interfere with that practice.<sup>13</sup> It can hardly be assumed that Congress intended to permit the states regularly to take advantage of the full benefits of the Copyright Act and at the same time to be free of its obligations.

Under this statutory scheme, copyrights are broadly available and broadly protected, and all copyright claims must be brought in federal court, applying the federal copyright laws. By denying a federal forum to claimants who allege copyright violations by states, the district court

---

12 See Register's Report, supra, at 129 ("Almost every State in the Union has registered copyright claims in some of its informational publications"). See also Senate Comm. on the Judiciary, Copyright Law Revision Study No. 33, "Copyright in Government Publications," 86th Cong., 2d Sess. at 10 (Comm. Print 1961) ("Most of the States have enacted statutes for the securing of copyright in certain of their publications or in their publications generally. And even in the absence of any statute, almost every State has claimed copyright in some of its publications. A survey by the Copyright Office shows that during the 5-year period 1950 through 1954 about 4,700 copyright claims were registered in the name of a State or a State agency or in the name of an official on behalf of a State.")

13 See 1 M. Nimmer, Nimmer on Copyright § 5.06[A] n.1 (1986).

necessarily concluded that Congress intended to leave these claimants without a meaningful remedy, and to permit states to disregard the rights of copyright owners with impunity. There is not a shred of evidence to suggest that Congress so intended. To the contrary, the entire statutory scheme unmistakably expresses Congress' intent to provide damage remedies against states and to abrogate state immunity. To uphold the district court's decision would frustrate that express Congressional intent and eviscerate the comprehensive protections for intellectual property that Congress so carefully adopted. Nothing in the Eleventh Amendment requires that result.

#### CONCLUSION

Although it properly recognized that Congress has the power to abrogate state immunity when it acts pursuant to the Copyright Clause, the district court erred in its "reluctant" conclusion, 657 F.Supp. at 1250, that in passing the copyright laws Congress did not abrogate state immunity

HBJ

**HARCOURT BRACE JOVANOVICH, INC.**

1250 SIXTH AVENUE, SAN DIEGO, CALIFORNIA 92101 TELEPHONE: 619-699-6263 TELEX: 181726

PETER JOVANOVICH  
Executive Vice President

GENERAL COUNSEL  
OF COPYRIGHT

FEB 01 1988

RECEIVED

Chairman and Chief Executive Officer  
WILLIAM JOVANOVICH

Office of the President  
PETER JOVANOVICH  
J. WILLIAM BRANDNER  
RALPH D. CAULO  
JACK O. SNYDER

January 18, 1988

Dorothy M. Schrader, Esq.  
General Counsel  
Copyright Office  
Library of Congress  
Washington, D.C. 20540

Comment Letter

RM 87-5

No. 13

Dear Ms. Schrader:

If the states are allowed to claim sovereign immunity from copyright liability, this will cause publishers and authors great harm. Among the consequences will be:

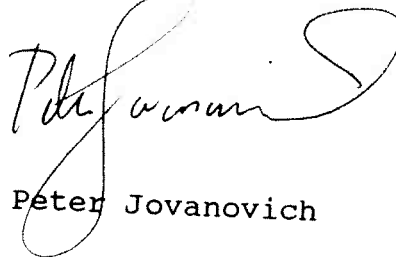
1. Wholesale copying by state university libraries of scientific journals and books.
2. The establishment of textbook copying mills by which literature anthologies can be created without paying permissions to authors and publishers.
3. The creation of "cut and paste" textbooks in which selections from different textbooks are put together to make up one textbook, thereby damaging author's and publishers' rights to present their works in the manner they see fit.

All three of these activities have been found by the courts to violate the U.S. copyright law. Granting states immunity from copyright will destroy what are now good working relationships among authors, publishers, libraries, and universities. These relationships serve

Dorothy M. Schrader, Esq.  
January 18, 1988  
Page Two

the interests of all parties "to promote the progress or science and useful arts" and thereby the cause of education. After reaching a practical compromise in the Act of 1976, all parties should urge the Copyright Office to defend the Act and to reaffirm its application to the states.

Sincerely,

A handwritten signature in cursive script, appearing to read "Peter Jovanovich", written over a horizontal line.

Peter Jovanovich

PJ/vrk



cambridge scientific abstracts  
5161 River Road □ Bethesda, Md. 20816 USA  
301-951-1400 □ Telex: 89-8452 □ Telecopier: 301-657-1962

Abstracts & Index Journals  
Online Databases  
CD-ROM Databases  
Magnetic Tapes

**Biological/Medical Group**

- ☐ Biological Membranes:  
Cambridge Scientific  
Biochemistry Abstracts, Part 1
- ☐ Nucleic Acids:  
Cambridge Scientific  
Biochemistry Abstracts, Part 2:
- ☐ Amino Acids, Peptides,  
Proteins:  
Cambridge Scientific  
Biochemistry Abstracts, Part 3
- ☐ Biotechnology Research  
Abstracts®
- ☐ Calcified Tissues Abstracts®
- ☐ Chemoreception Abstracts®
- ☐ Genetics Abstracts®
- ☐ Immunology Abstracts®
- ☐ Industrial & Applied  
Microbiology:  
Microbiology Abstracts®,  
Section A
- ☐ Bacteriology:  
Microbiology Abstracts®,  
Section B
- ☐ Algology, Mycology,  
Protozoology:  
Microbiology Abstracts®,  
Section C
- ☐ CSA Neurosciences Abstracts®  
including Endocrinology  
Abstracts
- ☐ Oncology Abstracts
- ☐ Toxicology Abstracts®
- ☐ Virology Abstracts®

**Zoology/Environment Group**

- ☐ Animal Behavior Abstracts®
- ☐ Aquatic Sciences  
& Fisheries Abstracts®  
Part 1: Biological Sciences  
& Living Resources
- ☐ Aquatic Sciences  
& Fisheries Abstracts®  
Part 2: Ocean Technology  
Policy, Non-Living  
Resources
- ☐ ASFA® Aquaculture  
Abstracts
- ☐ Ecology Abstracts®
- ☐ Entomology Abstracts®
- ☐ Oceanic Abstracts®
- ☐ Pollution Abstracts®
- ☐ EIS® Digests of Environmental  
Impact Statements

**Sci/Tech Group**

- ☐ Computer & Information  
Systems Abstracts
- ☐ Conference Papers Index®
- ☐ Electronics &  
Communications Abstracts  
SMEC
- ☐ Health & Safety Science  
Abstracts
- ☐ Solid State Abstracts

February 1, 1988

Office of the General Counsel  
Copyright Office  
Library of Congress  
Department 100  
Washington, DC 20559

GENERAL COUNSEL  
OF COPYRIGHT

FEB 01 1988

RECEIVED

Comment Letter

RM 87-5

No. 14

Dear Ms. Schrader:

Cambridge Information Group appreciates the opportunity to comment on the Request for Information on the Eleventh Amendment. We view the matter of claims of immunity against damages for infringement of copyrighted works as the most pressing issue in domestic U.S. copyright policy.

At the outset, we would like to state that we are members of IIA and we join in the legal views expressed by the Information Industry Association in friend of court briefs filed in Virginia and California. We had always assumed, as we believe had Congress, that states and their instrumentalities, like everyone else, are subject to the copyright law. We believe that the plaintiffs should prevail on the merits of this issue.

At the same time, we wish to respond specifically to the questions which were posed in the Request for Information. In particular, we would like to explain some of the practical problems relative to the enforcement of our copyrights against state governments.

We are a major player in the emerging field of CD-ROM products with a substantial and continuing investment in the development of unique software programs as well as the manufacturing of compact discs. We are gravely concerned that our largest clients, many of them state universities, will without much apparent risk, download and re-use these databases without compensation. Our clients pay anywhere between \$1,000 and \$10,000 for these packages. The loss of even a single lease, due to unauthorized reproduction is significant to us. If state entities engage in this practice to any extent at all, it is difficult to imagine that we or our competitors will feel confident about the further development of such products. Such downloading and re-use of our databases will also have the effect of driving up the cost of our products to the users who conform with the law.

An additional matter of great importance in the world of CD-ROM publishing is the obligation to protect third party information providers. Many CD-ROM publishers, like ourselves, publish information compiled by others as well as that developed in-house. These third



cambridge scientific abstracts  
5161 River Road □ Bethesda, Md. 20816 USA  
301-951-1400 □ Telex: 89-8452 □ Telecopier: 301-657-1962

Abstracts & Index Journals  
Online Databases  
CD-ROM Databases  
Magnetic Tapes

**Biological/Medical Group**

- ☐ Biological Membranes:  
Cambridge Scientific  
Biochemistry Abstracts, Part 1
- ☐ Nucleic Acids:  
Cambridge Scientific  
Biochemistry Abstracts, Part 2:
- ☐ Amino Acids, Peptides,  
Proteins:  
Cambridge Scientific  
Biochemistry Abstracts, Part 3
- ☐ Biotechnology Research  
Abstracts®
- ☐ Calcified Tissues Abstracts®
- ☐ Chemoreception Abstracts®
- ☐ Genetics Abstracts®
- ☐ Immunology Abstracts®
- ☐ Industrial & Applied  
Microbiology:  
Microbiology Abstracts®,  
Section A
- ☐ Bacteriology:  
Microbiology Abstracts®,  
Section B
- ☐ Algology, Mycology,  
Protozoology:  
Microbiology Abstracts®,  
Section C
- ☐ CSA Neurosciences Abstracts®  
including Endocrinology  
Abstracts
- ☐ Oncology Abstracts
- ☐ Toxicology Abstracts®
- ☐ Virology Abstracts®

**Zoology/Environment Group**

- ☐ Animal Behavior Abstracts®
- ☐ Aquatic Sciences  
& Fisheries Abstracts®  
Part 1: Biological Sciences  
& Living Resources
- ☐ Aquatic Sciences  
& Fisheries Abstracts®  
Part 2: Ocean Technology  
Policy, Non-Living  
Resources
- ☐ ASFA® Aquaculture  
Abstracts
- ☐ Ecology Abstracts®
- ☐ Entomology Abstracts®
- ☐ Oceanic Abstracts®
- ☐ Pollution Abstracts®
- ☐ EIS® Digests of Environmental  
Impact Statements

**Sci/Tech Group**

- ☐ Computer & Information  
Systems Abstracts
- ☐ Conference Papers Index®
- ☐ Electronics &  
Communications Abstracts
- ☐ ISMEC  
Health & Safety Science  
Abstracts
- ☐ Solid State Abstracts

Office of the General Counsel, Page Two

party information providers often condition provision of their data upon the protection of their proprietary interests in the data. Emasculation of the copyright laws could well jeopardize our ability to deliver an entire range of products and services, not just our own.

In sum, we believe that exemption of state governments from the copyright laws will have the pernicious effect of stifling progress towards better and cheaper products for the information consumer. Clearly this is not a desirable result. If you have any further questions about our position, please do not hesitate to call me.

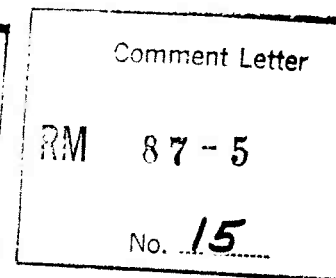
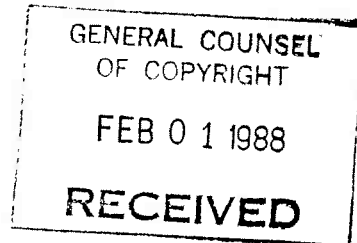
Sincerely,

Theodore Caris  
Publisher

# Lotus

January 27, 1988

Office of General Counsel  
Copyright Office  
Library of Congress  
Department 100  
Washington, DC 20559



Re: Request for Information,  
Eleventh Amendment, 52 Fed. Reg.  
42,045-46 (Nov. 2, 1987)

Dear Ms. Schrader:

Lotus Development Corporation appreciates the opportunity to respond to the the Copyright Office's Request for Information on Eleventh Amendment immunity claims.

We refer to the letter dated January 29, 1988 to your Office from the Information Industry Association, of which Lotus is a member. We agree with the position of the IIA as set forth in that letter. In particular, we believe that the Eleventh Amendment does not immunize states from liability for copyright infringement. Furthermore, state immunity from liability for copyright infringement would have serious adverse effects on the markets for many copyright works, including the software market, and would be a severe disincentive to the development of those works.

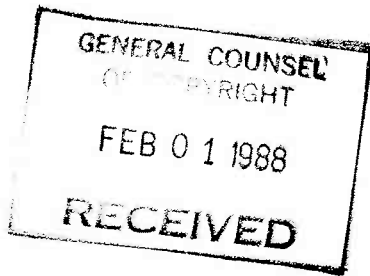
We appreciate the efforts of the Office to solicit views of the industry and to provide information to Congress on this important issue.

Very truly yours,

Thomas M. Lemberg  
Vice President and  
General Counsel

dl47  
012788





Before the  
LIBRARY OF CONGRESS  
Washington, D.C. 20559

Comment Letter	
RM	87-5
No.	16

In the Matter of  
Request for Information,  
Eleventh Amendment

)  
)  
)  
)  
)

Docket No. RI 87-51

COMMENTS OF MOTION PICTURE ASSOCIATION OF AMERICA, INC.

Motion Picture Association of America, Inc., ("MPAA") submits these comments in response to the above-referenced Notice published in the Federal Register November 2, 1987 (Vol. 52, p. 42046).

MPAA is a national trade association representing producers and distributors of theatrical feature films, television programs and home video material. Copyrighted works produced and distributed by MPAA member companies are frequently used by various instrumentalities of state governments. MPAA therefore has a substantial interest in the outcome of this proceeding.

In its Notice, the Copyright Office states that it has been requested by the Subcommittee on Courts, Civil Liberties and the Administration of Justice of the House Committee on the Judiciary

to assess the relationship between the Eleventh Amendment and federal copyright law, and to conduct two inquiries:

1. An inquiry concerning the practical problems relative to the enforcement of copyright against state governments;
2. An inquiry concerning the presence, if any, of unfair copyright or business practices vis a vis state governments with respect to copyright issues.

#### ELEVENTH AMENDMENT

The issue of whether states are immune from suit for money damages in copyright infringement cases under the Eleventh Amendment is presently before the United States Court of Appeals for the Ninth Circuit in BV Engineering v. University of California, CV 86-4708, slip. op., U.S.P.Q. 2d 1054 (D.C. Calif. April 17, 1987). The members of MPAA filed a brief amici curiae in this case, a copy of which is attached.

It is not necessary to recite in detail the arguments presented in this brief, which was supplied to the Copyright Office some time ago and, we trust, will be duly considered in the present proceeding. MPAA submits that this brief presents strong and convincing arguments that:

- The Copyright Clause of the Constitution gives Congress plenary power to subject states to copyright infringement actions for damages in the federal courts, and
- Congress has unmistakably expressed its intention to subject states to federal court jurisdiction in copyright infringement cases.

Aside from the purely legal arguments against state immunity from copyright obligations, the equitable and simple "common sense" arguments against state immunity are overwhelming. Article I, section 8, clause 8 of the Federal Consitution gives Congress the power "[t]o promote the Progress of Science and Useful Arts by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries..." It is not reasonable or logical to imagine that the Founding Fathers or the Congress might have intended that the word "exclusive" in that Consitutional provision be rendered without meaning by providing states with copyright immunity, and thereby effectively denying creators the exclusive right to their creations with respect to a large segment of copyright users.

State immunity strikes at the heart of this Constitutional provision. The Founding Fathers did not seek to promote the progress of science and useful arts by giving state institutions, including colleges and universities, free use of copyrighted material. Rather, they sought to promote science and useful arts by insuring that copyright owners are fairly compensated for the use of their works -- to provide incentive to create intellectual property. But what incentive would potential authors of textbooks, instructional films and other such works have if the principal users of their creations were exempt from copyright obligations? The suggestion that states are immune from copyright liability is simply incompatible with the Constitutional purpose and implementing copyright legislation enacted by the Congress.

## ENFORCEMENT PROBLEMS

As pointed out in the Notice, most state agencies acknowledge their legal and moral obligation to recognize the rights of copyright owners under the Copyright Act. This is evidenced by the opinion of the attorney general of California which is appended to MPAA members' amici brief. Enforcement problems with state agencies do occur, however, and they have been greatly exacerbated by the judicial decisions that have created uncertainty with regard to the application of the Eleventh Amendment in copyright infringement cases.

MPAA member companies own thousands of copyrighted motion pictures which they distribute to various markets in the United States and worldwide. The production and distribution of motion pictures is a high-risk business; accordingly, revenues from each market are critical to the recoupment of production costs and, hopefully, a profit.

After initial distribution to theaters, motion pictures are released to other markets. One subsequent market is the "non-theatrical" market, which is dominated by state institutions such as universities, colleges, schools, hospitals, correctional facilities and other institutions or entities owned or operated by states, all of which perform motion pictures. For many years MPAA member companies or their subdistributors have licensed public performance rights to such state institutions at competitive license fees. These license fees total millions of dollars annually.

Our experience with state correctional institutions, a major source of revenue for MPAA members, illustrates the type of enforcement problems encountered in the non-theatrical market. Such institutions may have extensive programs to entertain inmates and employees by publicly performing copyrighted motion pictures without authority in a variety of ways, including:

1. Video cassettes are rented or purchased from retail stores and are performed in places where a substantial number of inmates and employees are gathered. Retail video stores are not licensed or authorized to grant public performance licenses.
2. Such rented video cassettes may also be transmitted via closed circuit television either to individual cells or other quarters, or to places where a substantial number of inmates and employees are gathered.
3. Television and cable signals not intended for reception by the general public are received by satellite dishes and further transmitted either to individual cells or other quarters, where a substantial number of inmates and other persons are gathered.

Reports of unauthorized public performances at state correctional facilities are frequently received by MPAA member companies. Most states, when informed that they are engaging in infringing activity, advise that they will obtain public performance licenses in the future. Some state facilities continue unauthorized public performances in their correctional facilities pending review.

Two states, North Carolina and Wisconsin, have asserted immunity under the Eleventh Amendment.

### North Carolina

In a Memorandum dated February 24, 1987, Kaye R. Webb, Assistant Attorney General, concluded that video cassettes rented from video outlets "[c]annot be shown to a large group such as the inmate population of a prison facility without some type of permission from the copyright owner." The Memorandum did not refer to the Eleventh Amendment.

In a subsequent Memorandum dated March 16, 1987, Lucian Capone, III, Special Deputy Attorney General, relied upon the Eleventh Amendment to bar liability, stating:

However, there is another point which may be more important to the issue of liability. Several courts have recently held that the Eleventh Amendment bars suit in federal court against the States for alleged violation of the copyright laws. (citations omitted)

He then concluded "[t]he showing of video tapes to prison inmates will not subject the State to liability under the federal copyright laws."

### Wisconsin

The State of Wisconsin maintains a correctional facility at Waupun, Wisconsin. Officials of that facility rented video cassettes from local retail stores and publicly performed them without authorization by transmitting them over a closed circuit system for reception by television sets in inmates' cells. After fruitless requests that the Waupun correctional facility cease

and desist such performances, litigation ensued. Nine motion picture companies instituted a copyright infringement action against the State of Wisconsin Department of Health and Social Services, and three Wisconsin officials in August, 1983.

The defendants, in their Answer, asserted the following affirmative defense:

The defendants hereby affirmatively assert in response to the complaint the defense of constitutional immunity under the Eleventh Amendment and the defense of sovereign immunity.

The litigation was settled by the entry of an Order, on consent, which set forth the relevant facts, found that defendants had infringed plaintiffs' copyrighted motion pictures and enjoined defendants from future unauthorized transmissions and other performances of plaintiffs' films.

Such problems are likely to spread as a result of the lower court decisions cited in the Notice. We are confident that the courts will ultimately uphold the right of copyright owners to obtain damages from state agencies in infringement actions. However, until all uncertainty has been removed, infringements by state agencies can be expected to increase.

Money damages are essential to the enforcement of copyrights, and when the threat of such damages is clouded, the rights of copyright owners will suffer. Injunctions are not an adequate remedy to prevent wholesale infringement by those few

irresponsible state agencies that see nothing to lose by trampling on the rights of copyright owners. For the motion picture industry, a large part of the multimillion dollar "non-theatrical" market could be lost. Moreover, unauthorized performances of motion pictures on university campuses and other public places under state authority will damage theatrical, home video and television markets. The potential cost of this damage cannot be predicted, but it surely will be substantial.

#### UNFAIR BUSINESS PRACTICES

If some copyright owners have placed "undue pressure on state governments," such abuses should be remedied. However abuses, if they exist, cannot justify across-the-board immunity from copyright liability. The newspapers all too frequently report fraud and abuse on the part of private suppliers to state as well as federal agencies. But even in the face of proven abuse costing public treasuries hundreds of millions of dollars, no one has seriously suggested that government agencies should be allowed to expropriate private property without compensation.

Immunity from damages in infringement actions is in practical effect an invitation to expropriate the property of copyright owners without compensation. Allegations of abuse on the part of some copyright owners cannot possibly justify that




result. MPAA would therefore respectfully suggest that an inquiry into unfair business practices is not germane to the question of whether states may claim Eleventh Amendment immunity in infringement suits.

#### CONCLUSION

MPAA urges the Copyright Office to make clear in its report to the Congress that Eleventh Amendment theories of state immunity from money damages in infringement actions are inconsistent and incompatible with the Constitutional objective of promoting science and useful arts. The Copyright Office should, moreover, strongly recommend to the Congress that it consider corrective legislative action if the courts do not quickly remove the uncertainties which presently exist in this area.

Respectfully submitted,

  
Fritz E. Attaway, Esq.  
Vice President & Counsel  
Motion Picture Association of  
America, Inc.  
1600 Eye Street, N.W.  
Washington, D.C. 20006  
(202) 293-1966

DATED: February 1, 1988

No. 87-5920

IN THE

**United States Court of Appeals**

**FOR THE NINTH CIRCUIT**

---

**BV ENGINEERING, A BUSINESS ENTITY,**  
*Plaintiff-Appellant,*

vs.

**UNIVERSITY OF CALIFORNIA, LOS ANGELES**  
**(THE REGENTS OF THE UNIVERSITY OF**  
**CALIFORNIA),**  
*Defendant-Appellee.*

---

**ON APPEAL FROM**  
**UNITED STATES DISTRICT COURT**  
**FOR THE CENTRAL DISTRICT OF CALIFORNIA**  
**TRIAL COURT NUMBER CV 86 4708-HLH (Px)**

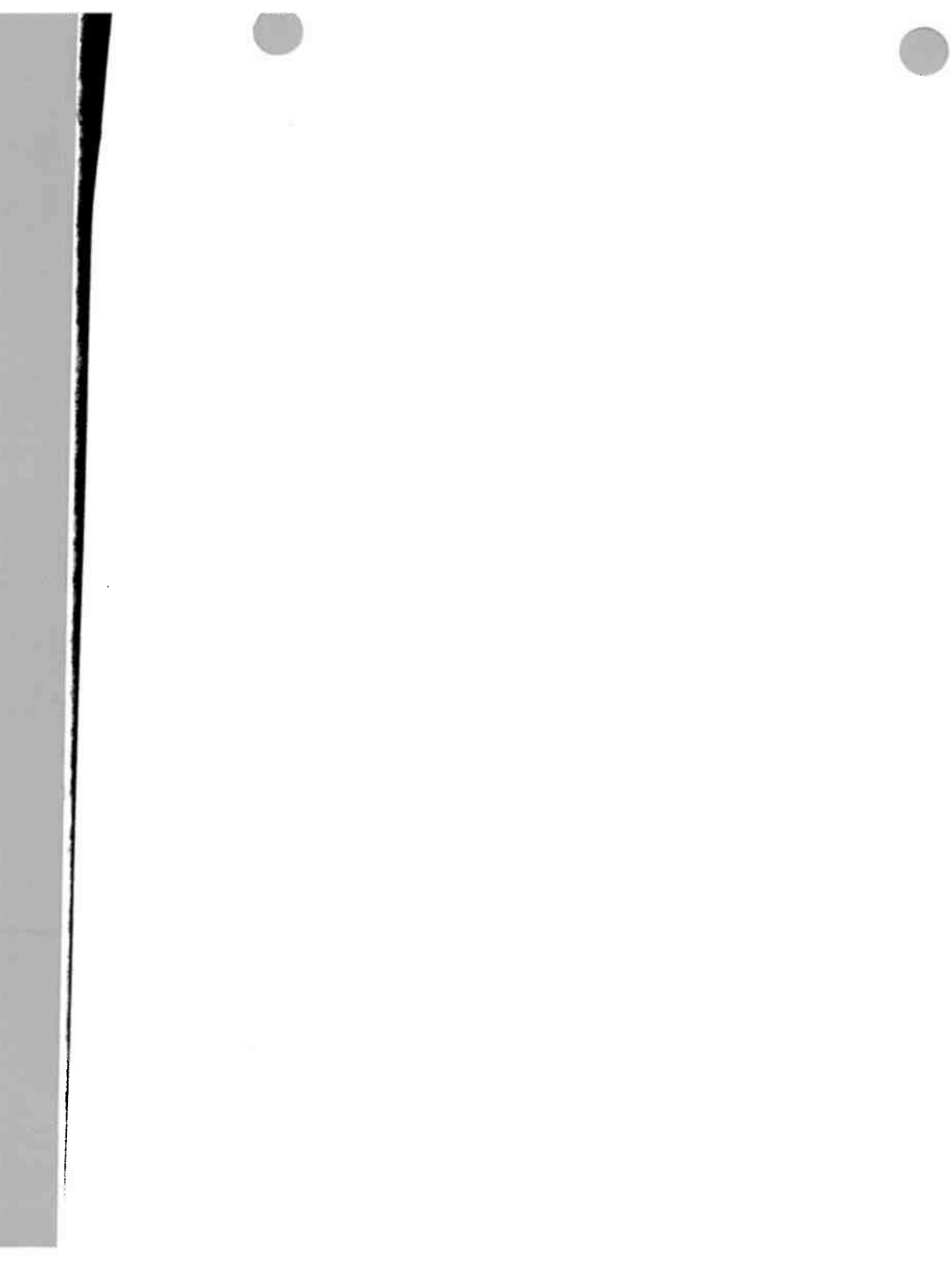
---

**BRIEF AMICI CURIAE OF COLUMBIA PICTURES**  
**INDUSTRIES INC.; DELAURENTIIS ENTERTAINMENT**  
**GROUP, INC.; MGM/UA COMMUNICATIONS CO.; ORION**  
**PICTURES DISTRIBUTION CORP.; PARAMOUNT PICTURES**  
**CORPORATION; TWENTIETH CENTURY FOX FILM**  
**CORPORATION; THE WALT DISNEY COMPANY; WARNER**  
**BROS. INC.; UNIVERSAL CITY STUDIOS, INC.**

---

**HUFSTEDLER, MILLER,**  
**CARLSON & BEARDSLEY**  
**SHIRLEY M. HUFSTEDLER,**  
**A Professional Corporation**  
**Forty Fifth Floor**  
**355 South Grand Avenue**  
**Los Angeles, California 90071-3107**  
**(213) 617-7070**  
*Attorneys for Amici Curiae*

---



## TABLE OF CONTENTS

	Page
CERTIFICATION OF INTERESTED PARTIES	
TABLE OF AUTHORITIES .....	iv
THE INTEREST OF AMICI CURIAE .....	1
THE ISSUES .....	4
I THE COPYRIGHT CLAUSE GAVE CON- GRESS PLENARY POWER TO SUBJECT STATES TO COPYRIGHT INFRINGE- MENT ACTIONS FOR DAMAGES IN THE FEDERAL COURTS .....	5
A. Introduction .....	5
B. The Eleventh Amendment Was Not Intended to Deprive Congress of Its Power to Subject States to Jurisdiction of the Federal Courts to Protect Federally Crea- ted Causes of Action .....	7
C. The Supreme Court and the Circuits Have Consistently Recognized Congressional Power to Abrogate the Application of the Eleventh Amendment in Exercise of any of Its Plenary Powers .....	8

II	CONGRESS HAS UNMISTAKABLY EXPRESSED ITS INTENTION TO SUBJECT STATES TO FEDERAL COURT JURISDICTION IN COPYRIGHT INFRINGEMENT CASES .....	12
	A. Heightened Standards of Scrutiny to Ascertain Congressional Intent to Abrogate Eleventh Amendment Immunity Do Not Apply to the Copyright Act of 1976 .....	12
	B. The Copyright Act of 1976 Abrogated Eleventh Amendment Immunity .....	23
	C. Immunizing States from Liability for Copyright Infringement Is Contrary to Accepted Principles of Federalism .....	29
III	CALIFORNIA HAS WAIVED ITS ELEVENTH AMENDMENT IMMUNITY FROM COPYRIGHT INFRINGEMENT SUITS .....	31
IV	CONCLUSION .....	36
	STATEMENT OF RELATED CASES	

**ADDENDUM A**

-The Organic Act, Chap. 244 .....	A-1
- Calif. Education Code .....	A-1
Section 32360 .....	A-1
Section 32361 .....	A-2
Section 35170 .....	A-2
Section 39528 .....	A-2
Section 60281 .....	A-3
Section 60289 .....	A-4
Section 60291 .....	A-4
Section 72207 .....	A-5
- Calif. Public Contract Code, Section 10318 .....	A-5
- Bylaws and Standing Orders of the Regents of the Univ. of Calif., Standing Order 100.4 subd. gg .....	A-6

**ADDENDUM B**

**- Attorney General's Opinions**

65 Ops. Cal. Atty. Gen. 106 Opinion No. 81-503, February 5, 1982 .....	B-1
64 Ops. Cal. Atty. Gen. 186 Opinion No. 51-123, November 1, 1951 .....	B-28
18 Ops. Cal. Atty. Gen. 203 Opinion No. 80-1106, March 3, 1981 .....	B-38

## TABLE OF AUTHORITIES

Page(s)

### Cases

Atascadero State Hospital v. Scanlon 473 U.S. 234, 87 L.Ed.2d 171, 105 S.Ct. 3142 (1985) .....	<i>passim</i>
Brandon v. Regents of the University of California 441 F.Supp. 1086 (D. Mass. 1977) .....	34
Chisholm v. Georgia 2 U.S. (2 Dall.) 419 (1793) .....	7
County of Monroe v. Florida 678 F.2d 1124 (2d Cir. 1982), <i>cert. denied</i> , 459 U.S. 1104, 74 L.Ed.2d 951, 103 S.Ct. 726 (1983) .....	8, 10
Doe by Gonzales v. Maher 793 F.2d 1470 (9th Cir. 1986), <i>cert.</i> <i>granted in part</i> , — U.S. —, 94 L.Ed.2d 142, 107 S.Ct. 1284 (1987) .....	23
Edelman v. Jordan 415 U.S. 651, 39 L.Ed.2d 662, 94 S.Ct. 1347 (1974) .....	16, 19, 24
Employees v. Missouri Department of Public Health & Welfare 411 U.S. 279, 36 L.Ed.2d 251, 93 S.Ct. 1614 (1973) .....	9, 14, 15, 19-21

**Page(s)**

**Ex parte Young**

209 U.S. 123, 52 L.Ed. 714,  
28 S.Ct. 441 (1908) ..... 31

**Fitzpatrick v. Bitzer**

427 U.S. 445, 49 L.Ed.2d 614,  
96 S.Ct. 2666 (1976) ..... 8, 10, 16

**Florida Department of Health & Rehabilitative  
Services v. Florida Nursing Home Ass'n**

450 U.S. 147, 67 L.Ed.2d 132,  
101 S.Ct. 1032 (1981) ..... 32

**Goldstein v. California**

412 U.S. 546, 37 L.Ed.2d 163,  
93 S.Ct. 2303 (1973) ..... 6

**Great Northern Life Ins. Co. v. Read**

322 U.S. 47, 88 L.Ed. 1121,  
64 S.Ct. 873 (1944) ..... 32

**Harper & Row v. Nation Enterprises,**

471 U.S. 539, 85 L.Ed.2d 588,  
105 S.Ct. 2218 (1985) ..... 5

**Hutto v. Finney**

437 U.S. 678, 57 L.Ed.2d 522,  
98 S.Ct. 2565 (1978) ..... 10, 17, 20, 21



In re McVey Trucking Inc. 812 F.2d 311 (7th Cir. 1987), <i>petition for cert. filed</i> , No. 86-1847, 55 U.S.L.W. 3809 (U.S. May 14, 1987) .....	9-11, 22
Jennings v. Illinois Office of Education 589 F.2d 935 (7th Cir. 1979), <i>cert. denied</i> , 441 U.S. 967, 60 L.Ed.2d 1073, 99 S.Ct. 2417 (1979) .....	10
Johnson v. University of Virginia 606 F.Supp. 321 (W.D.Va. 1985) .....	24
Mills Music, Inc. v. Arizona 591 F.2d 1278 (9th Cir. 1979) .....	<i>passim</i>
Muskopf v. Corning Hospital District 55 Cal.2d 211, 11 Cal.Rptr. 89, 359 P.2d 457 (1961) .....	32
Oneida County v. Oneida Indian Nation 470 U.S. 226, 84 L.Ed.2d 169, 105 S.Ct. 1245 (1985) .....	9
Parden v. Terminal Railway 377 U.S. 184, 12 L.Ed.2d 233, 84 S.Ct. 1207 (1964) .....	<i>passim</i>
Peel v. Florida Department of Transportation 600 F.2d 1070 (5th Cir. 1979) .....	10

<b>Pennhurst State School &amp; Hospital v. Halderman</b> 451 U.S. 1, 67 L.Ed.2d 694, 101 S.Ct. 1531 (1981) .....	18
<b>Pennhurst State School &amp; Hospital v. Halderman</b> 465 U.S. 89, 79 L.Ed.2d 67, 104 S.Ct. 900 (1984) .....	18, 30, 32
<b>Quern v. Jordan</b> 440 U.S. 332, 59 L.Ed.2d 358, 99 S.Ct. 1139 (1979) .....	16, 20
<b>Regents of the University of California v. Howmedica, Inc.</b> 530 F.Supp. 846 (D.N.J. 1981) <i>aff'd</i> , 676 F.2d 687 (3d Cir. 1982) .....	35
<b>Richard Anderson Photography v. Radford University</b> 633 F.Supp. 1154 (W.D. Va. 1986), <i>appeal docketed</i> , No. 87-1610 (4th Cir. May 19, 1987) .....	10, 23
<b>Sears, Roebuck &amp; Co. v. Stiffel Co.</b> 376 U.S. 225, 11 L.Ed.2d 661, 84 S.Ct. 784 (1964) .....	5, 6
<b>Sony Corp. of America v. Universal City Studios, Inc.</b> 464 U.S. 417, 78 L.Ed.2d 574, 104 S.Ct. 774 (1984) .....	12

**Page(s)**

Welch v. Texas Department of Highways	
— U.S. — , 97 L.Ed.2d 389,	
107 S.Ct. 2941 (1987) .....	<i>passim</i>
Wihtol v. Crow	
309 F.2d 777 (8th Cir. 1962) .....	11
Woelffer v. Happy States of America, Inc.	
626 F.Supp. 499 (N.D. Ill. 1985) .....	23
64 Ops. Cal. Atty. Gen. 186 .....	29
65 Ops. Cal. Atty. Gen. 106 .....	29

**Constitutions**

United States Constitution	
Article I .....	9
Article I, section 7, Clause 8 .....	4
Article I, section 8, .....	10, 11
Article I, section 8, Clause 8 .....	4, 5
Article III .....	8
Article IV, section 2, Clause 2 .....	10
Eleventh Amendment .....	<i>passim</i>
Fourteenth Amendment .....	<i>passim</i>

**Federal Statutes**

15 U.S.C. § 1125(a) .....	34
17 U.S.C. § 101 .....	13
17 U.S.C. § 101, <i>et seq.</i> .....	2
17 U.S.C. § 110(2) .....	25
17 U.S.C. § 110(6) .....	25

**Page(s)**

17 U.S.C. § 118(d)(3) .....	25
17 U.S.C. § 501 .....	13
17 U.S.C. § 501, <i>et seq.</i> .....	4
17 U.S.C. § 501(a) .....	24
17 U.S.C. § 601(b)(3) .....	26
17 U.S.C. § 602(a) .....	25
17 U.S.C. § 602(a)(1) .....	25
20 U.S.C. §§ 1401-1461 .....	23
28 U.S.C. § 1498(b) .....	31
29 U.S.C. § 16(b) .....	15
29 U.S.C. § 504 .....	22
29 U.S.C. § 505(a) .....	18
29 U.S.C. § 794 .....	18, 23
35 U.S.C. § 271 .....	35
35 U.S.C. § 281 .....	35
42 U.S.C. § 1983 .....	16, 17, 20, 23
42 U.S.C. § 1988 .....	17
42 U.S.C. § 2000(e)-2(a) .....	16
42 U.S.C. § 6010 .....	18
45 U.S.C. § 51 .....	14
46 U.S.C. § 688 .....	18
46 U.S.C. § 688(a) .....	19
Public Law 92-140, 85 Stat. 391 .....	6

**California Statutes**

**California Education Code**

§ 35170 .....	33
§ 60289 .....	33
§ 60291 .....	33
§ 72207 .....	33

California Government Code § 945 .....	32
--	----

Bylaws of Standing Orders of the Regents of the University of California, Standing Order 100.4(gg) .....	29
--	----

### **Congressional Reports and Hearings**

Copyright Law Revision: Hearings on H.R. 2223, Subcomm. on Courts, Civil Liberties and The Admin. of Justice of The House Comm. on The Judiciary, 94th Cong., 1st Sess. (1975) .....	27
Copyright Law Revision: Hearings on H.R. 4347, H.R. 5680, H.R. 6831, H.R. 6835 Before Subcomm. No. 3 of the House Comm. on the Judiciary, 89th Cong., 1st Sess. (1965) .....	26, 27
Copyright Law Revision: Hearings on S.597, Before The Subcomm. on Patents, Trademarks and Copyrights of the Senate Comm. on the Judiciary, 90th Cong., 1st Sess. (1967) .....	25, 27, 28
Copyright Law Revision: Hearings on S.1361 before the Subcomm. on Patents, Trademarks and Copyrights of the Senate Comm. on the Judiciary, 93rd Cong., 1st Sess. (1973) .....	27
Copyright Law Revision: Preliminary Drafts for Revised U.S. Copyrights Law and Discussions and Comments on the Draft, House Comm. on the Judiciary, 88th Cong., 2nd Sess. (1964) .....	28

**Page(s)**

House Committee on the Judiciary, Copyrights Law Revision, "Report of the Register of Copy- rights on the General Revision of the U.S. Copyrights Law," 87th Cong., 1st Sess. (Comm. Print, July 1961) .....	25
--	----

**Other Authorities**

Field, "The Eleventh Amendment and Other Sovereign Immunity Doctrines: Part One," 126 U. Pa. L.Rev. 515 (1978) .....	8
Field, "The Eleventh Amendment and Other Sovereign Immunity Doctrines: Congressional Imposition of Suit Upon the States" 126 U. Pa. L. Rev. 1203 (1978) .....	8
J. Madison, The Federalist, No. 43 (B. Wright ed. 1961) .....	5
M. Nimmer, 3 Nimmer on Copyrights § 12.01[E] (1986) .....	28
Nowak, "The Scope of Congressional Power to Create Causes of Action Against State Governments and the History of the Eleventh and Fourteenth Amendments," 75 Colum. L. Rev. 1413 (1975) .....	8
Tribe, "Intergovernmental Immunities in Litigation, Taxation, and Regulation: Separation of Powers Issues in Controversies About Fed-	

**Page(s)**

13 Wright, Miller & Cooper, Federal Practice and Procedure, § 3524 (1982) .....	16, 30 31
--	-----------

No. 87-5920

IN THE

**United States Court of Appeals**

**FOR THE NINTH CIRCUIT**

---

**BV ENGINEERING, A BUSINESS ENTITY,**  
*Plaintiff-Appellant,*

vs.

**UNIVERSITY OF CALIFORNIA, LOS ANGELES**  
**(THE REGENTS OF THE UNIVERSITY OF**  
**CALIFORNIA),**  
*Defendant-Appellee.*

---

**BRIEF AMICI CURIAE OF COLUMBIA PICTURES**  
**INDUSTRIES INC.; DELAURENTIIS ENTERTAINMENT**  
**GROUP, INC.; MGM/UA COMMUNICATIONS CO.; ORION**  
**PICTURES DISTRIBUTION CORP.; PARAMOUNT PICTURES**  
**CORPORATION; TWENTIETH CENTURY FOX FILM**  
**CORPORATION; THE WALT DISNEY COMPANY; WARNER**  
**BROS. INC.; UNIVERSAL CITY STUDIOS, INC.**

---

**THE INTEREST OF AMICI CURIAE**

---



Columbia Pictures Industries, Inc., DeLaurentiis Entertainment Group, Inc., MGM/UA Communications Co., Orion Pictures Distribution Corp., Paramount Pictures Corporation, Twentieth Century Fox Film Corporation, The Walt Disney Company, Warner Bros. Inc., and Universal City Studios, Inc. submit this brief *amici curiae* requesting this Court to reverse the District Court's judgment upholding the State of California's assertion of Eleventh Amendment immunity from suit in the federal courts to enforce statutory remedies for the copyright infringement provided by the Copyright Act of 1976, 17 U.S.C. §§ 101, *et seq.*<sup>1</sup>

In the aggregate, your *Amici* own thousands of copyrighted films. They are each significant producers and distributors of motion pictures. In the film industry, motion pictures are usually first released to the public for public

---

<sup>1</sup> DeLaurentiis Entertainment Group, Inc. is a publicly-owned corporation. MGM/UA Communications Co. a publicly-owned corporation is a successor corporation of Metro-Goldwyn-Meyer, Inc. and United Artists Corporation. Paramount Pictures Corporation is a wholly-owned subsidiary of a publicly-owned corporation, Gulf+Western Inc. Twentieth Century Fox Film Corporation is a wholly-owned subsidiary of a privately owned corporation. Universal City Studios, Inc. is a wholly-owned subsidiary of MCA, Inc., a publicly-held corporation. Warner Bros. Inc. is a wholly-owned subsidiary of Warner Communications, Inc., a publicly-held corporation. The Walt Disney Company is a publicly-owned corporation. Orion Pictures Distribution Corporation is a wholly-owned subsidiary of Orion Pictures Corporation, a publicly-owned corporation. Columbia Pictures Industries, Inc. is a wholly-owned subsidiary of the Coca-Cola Company, a publicly owned corporation. An agreement has been reached, subject to stockholder approval, between Coca-Cola Company and Tri-Star Pictures, Inc. whereby Tri-Star Pictures, Inc., a publicly-held corporation, will acquire stock and certain assets in Columbia Pictures Industries, Inc. If approved by the stockholders, Coca-Cola Company will own 49 percent of the common stock of Tri-Star Pictures, Inc.

performances at theaters. That release is known in the industry as "theatrical distribution." After such initial distribution, motion pictures are released to other markets. The "non-theatrical" market is dominated by state entities such as universities, colleges, schools, hospitals, correctional facilities, and other institutions or entities owned or operated by states all of which use films for entertainment purposes. The production and distribution of motion pictures is a high-risk industry; revenues from each market are important to each *Amicus*.

Each *Amicus* licenses sub-distributors who, in turn, license its motion pictures to the entities which comprise a non-theatrical market. The practice of licensing such entities commenced more than 25 years ago. In the earlier years, 16 mm prints were delivered to licensees for non-theatrical performances. However, since the late 1970's, video cassettes are delivered to most non-theatrical licensees.

State institutions are the major source of revenue in the non-theatrical market. The sub-distributors of each of the *Amici* derive their major revenues from state institutions which pay royalties to the copyright holders for the use of the films.<sup>2</sup>

The District Court's holding that the Eleventh Amendment forecloses the recovery of damages prescribed by statute against an unwilling state for copyright infringement, if upheld, will have devastating effects on all copyright owners, their distributors, and their licensees by destroying the constitutionally guaranteed monopoly granted by Congress, and it would seriously impair the national uniform system of copyrights. Because the Appellant's stake in its copyrighted computer software

---

<sup>2</sup> E.g., Ex. A to *Amicis'* Petition for Leave to file their brief.

program appeared modest, the true impact of the decision on every copyright owner in the United States, including your *Amici*, was not revealed by the record in the district court. The District Court's holding adversely affects all copyrighted material whether the subject of the copyright is computer software, films, music, lyrics, books, records, magazines, articles or photographs and whether the creator is a film producer, inventor, writer, composer, lyricist, publisher, performing artist, licensee or distributor of copyrighted works.

The decision also adversely impacts the general public and the state itself by reducing the very incentives encouraging creativity that the constitutional draftsmen deliberately enshrined in Article I, section 8, Clause 8 of the United States Constitution.

## THE ISSUES

May the State of California, its institutions and officials, including the Regents of the University of California, raise the bar of the Eleventh Amendment to immunize themselves from suits to obtain damages prescribed by statute for copyright infringement under the Copyright Act of 1976, 17 U.S.C. §§ 501 *et seq.*, enacted pursuant to the constitutional grant of power to Congress to confer copyright and patent monopolies on authors and inventors? Art. I, § 7, Cl. 8.

1. Did the Copyright and Patent Clause of the Federal Constitution grant Congress plenary power to subject unwilling states to copyright infringement actions for such damages in the federal courts?

2. In enacting the Copyright Act of 1976, did Congress express its intention to subject unwilling states to federal court jurisdiction in copyright infringement cases, thereby abrogating Eleventh Amendment immunity?

3. Has California waived its Eleventh Amendment immunity from copyright infringement suits?

## I

### THE COPYRIGHT CLAUSE GAVE CONGRESS PLENARY POWER TO SUBJECT STATES TO COPYRIGHT INFRINGEMENT ACTIONS FOR DAMAGES IN THE FEDERAL COURTS

#### A. Introduction

Article I, section 8, clause 8 of the Federal Constitution gives Congress the power "To promote the Progress of Science and Useful Arts by securing for limited Times to Authors and Inventors the *exclusive* Right to their respective Writings and Discoveries. . ."[Emphasis added]

The draftsmen of the Constitution intended to encourage creativity by rewarding authors and inventors with a monopoly, limited in time, to exclude all others from the use of their works without their authority and to create a national system of enforcement of copyrights and patents. *Harper & Row v. Nation Enterprises*, 471 U.S. 539, 85 L.Ed.2d 588, 105 S.Ct. 2218 (1985); *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 11 L.Ed.2d 661, 84 S.Ct. 784 (1964).<sup>3</sup>

---

<sup>3</sup> As James Madison explained:

"The States cannot separately make effectual provision for either of these cases [copyrights and patents], and most of them have anticipated the decision at this point by laws passed at the instance of Congress." *The Federalist*, No. 43, at 209 (J. Madison) (B. Wright ed. 1961).

By ratifying the Copyright and Patent Clause, the states ceded to the federal government their sovereign power over copyrights as soon as Congress chose to exercise it. "[T]he States cannot exercise a sovereign power which, under the Constitution, they have relinquished to the Federal Government for its exclusive exercise." *Goldstein v. California*, 412 U.S. 546, 552, 37 L.Ed.2d 163, 171, 93 S.Ct. 2303, 2307 (1973)<sup>4</sup>

Although the Constitution does not require Congress exclusively to occupy the whole field of patents and copyrights, *id.* at 553, 37 L.Ed.2d at 172, 93 S.Ct. at 2308, when Congress has spoken on those subjects, state sovereignty is *pro tanto* nonexistent, for the congressional voice is the supreme law of the land. *Sears Roebuck & Co. v. Stiffel*, *supra*, 376 U.S. at 229, 11 L.Ed.2d at 665, 84 S.Ct. at 787. Thus, this Court correctly held, in *Mills Music, Inc. v. Arizona*, 591 F.2d 1278, 1285 (9th Cir. 1979), that the Copyright and Patent Clause is a "specific grant of constitutional power that contains inherent limitations on state sovereignty."<sup>5</sup>

"When Congress grants an exclusive right or monopoly, its effects are pervasive; *no citizen or State may escape its reach.*" *Goldstein v. California*, *supra*, 412 U.S. at 560, 37 L.Ed.2d at 176, 93 S.Ct. at 2312 [Emphasis added]. If,

---

<sup>4</sup> *Goldstein* held that Congress had not preempted a state criminal statute penalizing record piracy because, at the time the statute was passed and the offense was committed, Congress had not protected sound recordings by copyright. Such protection was added in 1971, Pub.L. 92-140, 85 Stat. 391, applicable only to such recordings "fixed, published and copyrighted" on or after February 15, 1972.

<sup>5</sup> The holding of *Mills Music, Inc. v. Arizona*, on this point is unimpaired by *Welch v. Texas Department of Highways*, — U.S. —, 97 L.Ed.2d 389, 107 S.Ct. 2941 (1987) and *Atascadero State Hospital v. Scanlon*, 473 U.S. 234, 87 L.Ed.2d 171, 105 S.Ct. 3142 (1985). See discussion, *infra*, pp. 18-23.

however, as the District Court held in this case, states can successfully invoke the Eleventh Amendment to prevent a copyright owner from recovering compensation for infringement, they *have* escaped the reach of the exclusive copyright monopoly. The District Court's holding, if affirmed, would destroy the very monopoly that the Constitution explicitly authorized Congress to grant by forcing an author to share free of charge his copyrighted work with all states (or their subdivisions or enterprises they operate) that chose to use it. The federal courts provide the *only* forum in which to vindicate a copyright. The authorities interpreting the Eleventh Amendment and the copyright laws forbid the District Court's conclusion.

**B. The Eleventh Amendment Was Not Intended to Deprive Congress of Its Power to Subject States to Jurisdiction of the Federal Courts to Protect Federally Created Causes of Action**

The Eleventh Amendment provides:

“The Judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by Citizens of another State, or by Citizens or Subjects of any Foreign State.”

The Eleventh Amendment was adopted in reaction to the Supreme Court's decision of *Chisholm v. Georgia*, 2 U.S. (2 Dall.) 419 (1793). In that case the Supreme Court asserted its own jurisdiction to enforce a debt owed by Georgia to a decedent resident of South Carolina. *Chisholm v. Georgia* was a diversity case; no federal cause of action was involved. The historical evidence is convincing that the Eleventh Amendment was intended to limit judicial power to extend federal *diversity jurisdiction* to suits by citizens

against states. The Eleventh Amendment was *not* intended to limit Congress' power to grant *federal question jurisdiction* over suits by citizens against the states.<sup>6</sup>

**C. The Supreme Court and the Circuits Have Consistently Recognized Congressional Power to Abrogate the Application of the Eleventh Amendment in Exercise of any of Its Plenary Powers**

Under current Eleventh Amendment jurisprudence, state sovereignty is the linchpin of the Eleventh Amendment. *Fitzpatrick v. Bitzer*, 427 U.S. 445, 456, 49 L.Ed.2d 614, 621, 96 S.Ct. 2666, 2671 (1976). When the states ceded a significant portion of their sovereignty to the federal government by ratifying the Constitution, the states

---

<sup>6</sup> The history of the Eleventh Amendment and Article III of the Constitution is recited in *Atascadero State Hospital v. Scanlon*, 473 U.S. 234, 260-302, 87 L.Ed.2d 171, 191-217, 105 S.Ct. 3142, 3157-3178 (1985) (Brennan, J, dissenting); see also *County of Monroe v. Florida*, 678 F.2d 1124, 1132 (2d Cir. 1982) *cert. denied*, 459 U.S. 1104, 74 L.Ed.2d 951, 103 S.Ct. 726 (1983); *Mills Music, Inc. v. Arizona*, *supra*, 591 F.2d at 1281-82.

Additionally, a large body of scholarly literature reviews the history and effect of the Eleventh Amendment. See, e.g., Field, *The Eleventh Amendment and Other Sovereign Immunity Doctrines: Part One*, 126 U. Pa. L.Rev. 515 (1978); Field, *The Eleventh Amendment and Other Sovereign Immunity Doctrines: Congressional Imposition of Suit Upon the States*, 126 U. Pa. L. Rev. 1203 (1978); Nowak, *The Scope of Congressional Power to Create Causes of Action Against State Governments and the History of the Eleventh and Fourteenth Amendments*, 75 Colum. L. Rev. 1413 (1975); Tribe, *Intergovernmental Immunities in Litigation, Taxation, and Regulation: Separation of Powers Issues in Controversies About Federalism*, 89 Harv.L.Rev. 682 (1976). These writers have all concluded that the Eleventh Amendment was not intended to limit congressional power to subject states to federal court jurisdiction.

"necessarily surrendered any portion of their sovereignty that would stand in the way of [federal] regulation" enacted pursuant to their constitutional grant. *Parden v. Terminal Railway*, 377 U.S. 184, 192, 12 L.Ed.2d 233, 240, 84 S.Ct. 1207, 1212 (1964).<sup>7</sup> Accord: *In re McVey Trucking Inc.*, 812 F.2d 311, 321 (7th Cir. 1987), petition for cert. filed, 55 U.S.L.W. 3809 (U.S. May 14, 1987) (No. 86-1847).

In deference to the historical context of the Eleventh Amendment and with continuing concern for the appropriate balance between state sovereignty and the principles of federalism, the Supreme Court has consistently held or expressly assumed that the Eleventh Amendment does not preclude Congress from acting under its plenary powers in subjecting unwilling states to the jurisdiction of the federal courts for vindication of congressionally created private rights of action. *Welch v. Texas Department of Highways*, *supra*, — U.S. at —, 97 L.Ed.2d at 397, 107 S.Ct. at 2946 "[w]e assume . . . that the authority of Congress to subject unconsenting states to suit in federal court is not confined to §5 of the Fourteenth Amendment"); *Atascadero State Hospital v. Scanlon*, 473 U.S. 234, 242-43, 87 L.Ed.2d 171, 180, 105 S.Ct. 3142, 3148 (1985) (Congress has such power under the Fourteenth Amendment); *Oneida County v. Oneida Indian Nation*, 470 U.S. 226, 252, 84 L.Ed.2d 169, 190, 105 S.Ct. 1245, 1261 (1985) (assuming exercise of power under Article I in enactment of Non-Intercourse Act); *Employees v. Missouri Department of Public Health*

---

<sup>7</sup> *Parden* was overruled on other grounds by *Welch v. Department of Highways*, *supra*, — U.S. at —, 97 L.Ed.2d at 399, 107 S.Ct. at 2948. In *Welch*, *supra*, the Court stated: "[W]e have no occasion in this case to consider the validity of the additional holding in *Parden*, that Congress has the power to abrogate the States' Eleventh Amendment immunity under the Commerce Clause to the extent that the States are engaged in interstate commerce." *Id.* at — U.S. —, n.8, 97 L.Ed.2d at —



& *Welfare*, 411 U.S. 279, 285, 36 L.Ed.2d 251, 257, 93 S.Ct. 1614, 1618 (1973) (assuming existence of power under the Commerce Clause); *Hutto v. Finney*, 437 U.S. 678, 693-694, 57 L.Ed.2d 522, 536 98 S.Ct. 2565, 2575 (1978) (power exists under the Fourteenth Amendment); *Fitzpatrick v. Bitzer*, *supra*, 427 U.S. 445, 49 L.Ed.2d 614, 96 S.Ct. 2666 (power exists under the Fourteenth Amendment).

The Circuits that have considered the issue have uniformly concluded that Congress has the power to nullify the Eleventh Amendment in exercising any of its plenary powers granted by the Constitution. In a meticulously crafted opinion examining the Supreme Court authorities, including *Atascadero*, the Seventh Circuit, *In re McVey Trucking, Inc.*, *supra*, 812 F.2d 311 (7th Cir.) held that Congress had the power under Article I, in enacting the Bankruptcy Code, unilaterally to nullify the Eleventh Amendment. "[B]ecause Congress can make a cause of action for money damages against a state enforceable in the federal courts when Congress acts under its Fourteenth Amendment power, it can do so under any plenary power." *Id.* at 323. Accord: *County of Monroe v. Florida*, *supra*, 678 F.2d 1124, 1132 n.8, 1133 (2d Cir. 1982), *cert. denied*, 459 U.S. 1104, 74 L.Ed.2d 951, 103 S.Ct. 726 (1983) (Congress has power under Art. IV, §2, Cl. 2, to abrogate state immunity on extradition-related claims); *Peel v. Florida Department of Transportation*, 600 F.2d 1070 (5th Cir. 1979) (congressional abrogation of immunity in act passed pursuant to war powers Art. I, §8); *Jennings v. Illinois Office of Education*, 589 F.2d 935, 937-38 (7th Cir. 1979), *cert. denied*, 441 U.S. 967, 60 L.Ed.2d 1073, 99 S.Ct. 2417 (1979) (congressional abrogation of state immunity proper under the war powers Art. I §8).<sup>8</sup>

---

<sup>8</sup> In *Richard Anderson Photography v. Radford University*, 633

Congressional power, under the Copyright and Patent Clause of Article I, to create a cause of action for money damages against the states to enforce copyright monopolies is indistinguishable from congressional power under the same article to enforce the bankruptcy laws considered in *In re McVey Trucking, Inc.*, *supra*, 812 F.2d 311. As noted above, this Court reached the same result as *McVey* in *Mills Music, Inc. v. Arizona*, *supra*, 591 F.2d at 1285, holding that "the abrogation of a state's Eleventh Amendment immunity is inherent in the Copyright and Patent Clause and the Copyright Act [of 1909]."

---

May 19, 1987) The district court held that "Congress does not have the power to abrogate the States' Eleventh Amendment immunity without their consent unless it acts pursuant to §5 of the Fourteenth Amendment." That holding is contrary to the Supreme Court decisions and those of every Circuit that has considered the issue.

Similarly in *Wihl v. Crow*, 309 F.2d 777 (8th Cir. 1962), the Court held that the Eleventh Amendment foreclosed a copyright infringement action against a school district. In its superficial discussion of the constitutional issue, the *Crow* Court did not consider whether Congress

immunity in the Copyright Act of 1909.

## II

### CONGRESS HAS UNMISTAKABLY EXPRESSED ITS INTENTION TO SUBJECT STATES TO FEDERAL COURT JURISDICTION IN COPYRIGHT INFRINGEMENT CASES

#### A. Heightened Standards of Scrutiny to Ascertain Congressional Intent to Abrogate Eleventh Amendment Immunity Do Not Apply to the Copyright Act of 1976

“ ‘Anyone who violates any of the exclusive rights of a copyright owner . . . is an infringer of the copyright.’ . . . The Copyright Act provides the owner of a copyright with a potent arsenal of remedies against an infringer of his work, including . . . his actual damages and any additional profits realized by the infringer or a recovery of statutory damages and attorneys’ fees. §§ 502-505.” [Emphasis added.] *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417, 433-34, 78 L.Ed.2d 574, 587, 104 S.Ct. 774, 784 (1984).

If Congress did not intend to include the states as infringers, the copyright owner has no arsenal; he is impotent to protect the exclusivity of his rights. The text of the Copyright Act of 1976, its legislative history, and the statutory scheme defining the copyright monopoly and providing copyright owners protection clearly expresses congressional intention to include states as infringers.

Although the language of the Copyright Act of 1909,<sup>9</sup> interpreted by this Court in *Mills Music, Inc. v. Arizona*, *supra*, 591 F.2d 1278, is not precisely the same as that of the 1976 Act, and the Supreme Court has since announced heightened standards of scrutiny to be applied when ascertaining congressional intent to override the Eleventh Amendment in different statutory contexts, the basic reasoning of *Mills Music*, is as valid today as it was then:<sup>10</sup>

“If Congress has acted pursuant to an expansive constitutional grant of authority such as the commerce clause, and the consequent burden on state treasuries will be significant, an intent to include states within the class of defendants should not be lightly inferred. But if the rationale for the rule of strict construction does not obtain, a less specific showing of congressional intent should suffice. Here, Congress has acted pursuant to the Copyright and Patent Clause to regulate the commercial disposition of a certain property right. . . . [T]he Copyright and Patent Clause is a specific grant of constitutional power that contains inherent limitations on state sovereignty. In addition, the fiscal burden on state finances will be minimal, if only because states will infrequently

---

<sup>9</sup> The 1909 Copyright Act provided:

“If *any person* shall infringe the copyright in any work protected under the copyright laws of the United States such person shall be liable: . . . (b) To pay to the copyright proprietor such damages as the copyright proprietor may have suffered due to the infringement, as well as all the profits which the infringer shall have made from such infringement.” 17 U.S.C. §101 amended by 17 U.S.C. §501 (1976). [Emphasis added.]

<sup>10</sup> To be sure, the *Mills Music* Court would not now rely on some aspects of *Parden*, and it would discuss and distinguish *Welch* and *Atascadero*.

who sought damages for employment discrimination under the Rehabilitation Act of 1973 considered in *Atascadero*.<sup>20</sup>

As a review of the Supreme Court decisions reveals, the Court has relied upon the following factors in deciding to apply strict standards of scrutiny to Congress' expression of its intent to override Eleventh Amendment immunity: (1) the legislation was enacted under a broad constitutional grant, which "has grown to vast proportions in its applications;"<sup>21</sup> (2) the legislation places "new [or] even enormous [unbudgetable financial] burdens on the states;"<sup>22</sup> (3) the congressional intention to subject states to federal court jurisdiction as a member of a defendant class is found only in a description of the class members which literally include states;<sup>23</sup> (4) no legislative history exists indicating

---

<sup>20</sup> The Supreme Court's continuing interest in preventing undue expansion of federal court jurisdiction, when states have concurrent jurisdiction, is one of the themes of *Atascadero*. Justice Powell, writing for the majority, said:

"It is also significant that in determining whether Congress has abrogated the States' Eleventh Amendment immunity, the courts themselves must decide whether their own jurisdiction has been expanded. . . . [I]t is appropriate that we rely only on the clearest indications in holding that Congress has enhanced our power." 473 U.S. at 243, 87 L.Ed.2d at 180, 105 S.Ct. at 3148.

<sup>21</sup> *Employees v. Missouri Public Health Department*, *supra*, 411 U.S. at 284-85, 36 L.Ed.2d at 256, 93 S.Ct. at 1618.

<sup>22</sup> *Employees v. Missouri Public Health Department*, 411 U.S. at 284-85, 36 L.Ed.2d at 256, 93 S.Ct. at 1618. The imposition of such fiscal burdens cannot be anticipated and budgeted by state legislatures. *Hutto v. Finney*, *supra*, 437 U.S. 678, 708, 57 L.Ed.2d 522, 545, 98 S.Ct. 2565, 2582 (Powell, J. dissenting).

<sup>23</sup> See, e.g., *Quern v. Jordan*, *supra*, 440 U.S. 332, 59 L.Ed.2d 358, 99 S.Ct. 1139 ("any person" in §1983); *Welch v. State Department of Highways*, *supra*, — U.S. at —, 97 L.Ed.2d at 398, 1080 S.Ct. at 2941 ("any seaman," "employer"). "[G]eneral authorization for suit in federal court is not the kind of unequivocal statutory language sufficient to abrogate the Eleventh Amendment." — U.S. at —

congressional intent to subject the states to suit in federal court;<sup>24</sup> (5) legislative intrusion into traditional activities of state governments;<sup>25</sup> and (6) the existence of a state forum in which to vindicate the federally created right.<sup>26</sup>

None of the factors that have prompted the Supreme Court to evaluate congressional intent to override sovereign immunity under strict standards of scrutiny are present with respect to the Copyright Act of 1976: (1) the Copyright and Patent Clause is explicit and narrow; (2) subjecting states to suit as copyright infringers places no "enormous" or unpredictable fiscal burdens are placed on them; (3) congressional intention to encompass states within the definition of "infringer" is not confined to a single definition, but is unmistakably expressed in the full text of the 1976 Act; (4) the legislative history leaves no reasonable doubt that Congress intended to include states as infringers;

---

398, 107 S.Ct. at 2947 relying on *Atascadero State Hospital v. Scanlon*, *supra*. Compare *Hutto v. Finney*, *supra*, 437 U.S. 678, 57 L.Ed.2d 522, 98 S.Ct. 2565 (entitlement to attorneys' fees in "any" action brought to enforce certain civil rights laws was adequate).

<sup>24</sup> *Employees v. Missouri Public Health Department*, *supra*, 411 U.S. at 285, 36 L.Ed.2d at 256, 93 S.Ct. at 1618. *Hutto v. Finney*, *supra*, 437 U.S. at 694, 57 L.Ed.2d at 536, 98 S.Ct. at 2575, reached the opposite conclusion when the legislative history disclosed that Congress considered the question and intended to include States.

<sup>25</sup> *Employees v. Missouri Public Health Department*, *supra*, 411 U.S. 279, 36 L.Ed.2d 251, 93 S.Ct. 1614 (intrusion into state employment by FLSA). Contrast *Parden v. Terminal Railway Co.*, *supra*, 377 U.S. at 196, 12 L.Ed.2d at 242, 84 S.Ct. at 1215 (commercial activity in running an interstate railroad: "[W]hen a State leaves the sphere that is exclusively its own and enters into activities subject to congressional regulation, it subjects itself to that regulation as fully as if it were a private person or corporation.")

<sup>26</sup> See, e.g., *Employees v. Missouri Public Health Department*, *supra*, 411 U.S. 279, 39 L.Ed.2d 251, 93 S.Ct. 1614.

(5) neither registration nor infringement of copyrights is a traditional state governmental activity, rather, it is commercial conduct akin to running a railroad; (6) federal court jurisdiction over copyright infringement actions is exclusive; it does not involve any enhancement of that jurisdiction by judicial implication. Accordingly, as this Court decided in *Mills Music, supra*, the Supreme Court's rationale for a rule of strict construction does not apply to the copyright laws.

The Seventh Circuit reached the same conclusion about the bankruptcy laws in *In re McVey Trucking, Inc., supra*, after *Atascadero* was decided. Although Courts of Appeal must be "certain" that Congress intended to override Eleventh Amendment immunity:

"[Courts] must remember that our goal here, as in any effort at statutory interpretation, is 'to construe the language [of the statute] so as to give effect to the intention of Congress.' *United States v. American Trucking*, 310 U.S. 534, 542, 60 S.Ct. 1059, 1063, 84 L.Ed.2d 1345 (1940). For if a court 'thinking to maintain the "fundamental constitutional balance between the Federal Government and the States fails to implement the plain intent of Congress, it upsets another fundamental constitutional balance: the balance between the legislature and the judiciary. (Citation omitted)" ' *Id.* at 325.<sup>27</sup>

---

<sup>27</sup> After examining the full text of the statute, its legislative history, and the statutory scheme, the Seventh Circuit concluded in *McVey* that Congress intended to abrogate Eleventh Amendment immunity in the Bankruptcy Code. 812 F.2d at 327. As noted in the initial citation of the case, a petition for certiorari in *McVey* is now pending in the Supreme Court.

Contrary to the District Court's conclusion in the case at bar, neither *Atascadero*, nor *Doe by Gonzales v. Maher*, 793 F.2d 1470 (9th Cir. 1986), *cert. granted in part*, — U.S. —, L.Ed.2d 142, 107 S.Ct. 1284 (1987), overruled *Mills Music*. In *Gonzales*, the issue was California's immunity from suit for damages invoking the Education For All Handicapped Children Act, 20 U.S.C. §§1401-1461 (1982), section 504 of the Rehabilitation Act, 29 U.S.C. 794, and section 1983. This Court was required to decide that the action was foreclosed under each of the sections because the statutes fell squarely within the holdings of *Atascadero* and *Edelman*.<sup>28</sup> It had no occasion to reconsider the holding of *Mills Music* as applied to copyright laws, or to parse the language, history and statutory scheme of the copyright laws which is strikingly different from the statutes involved in *Atascadero* and *Gonzales*.

---

<sup>28</sup> At least two district courts have extended *Atascadero* to bar copyright infringement actions against a state in the federal courts. See, *Richard Anderson Photography v. Radford University*, *supra*, 633 F.Supp. 1154, 1158 (incorrectly concluding that Congress has no power to abrogate sovereign immunity, except in legislation enacted pursuant to the Fourteenth Amendment); *Woelffer v. Happy States of America, Inc.*, 626 F.Supp. 499 (N.D. Ill. 1985). In *Woelffer* an Illinois agency sought a judicial declaration that the Eleventh Amendment barred the defendant's potential copyright claim concerning the use by the state of a copyrighted slogan in a tourism campaign. Defendant counterclaimed alleging copyright infringement and seeking declaratory and injunctive relief together with attorneys' fees. Without any reference to the full text of the Copyright Act of 1976, nor to the absence of any of the factors that have led the Supreme Court to apply strict standards of statutory interpretation, the court concluded that *Atascadero* applied. *Music, Inc. and the State of Illinois*.



## B. The Copyright Act of 1976 Abrogated Eleventh Amendment Immunity

Even if the strict scrutiny test of *Atascadero* and *Welch* were applicable to the Copyright Act of 1976, Congress expressed its intent to override sovereign immunity with sufficient clarity to meet the demands of *Atascadero*'s stricter standard of interpretation. Section 501(a) of the Copyright Act of 1976 provides:

"Anyone who violates any of the exclusive rights of the copyright owner . . . is an infringer of the copyright." 17 U.S.C. § 501(a) [Emphasis added].

First, unlike *Edelman v. Jordan*, *supra*, the statutory language "anyone" literally includes the states.<sup>29</sup> Second, unlike the statutes involved in *Welch* and *Atascadero*, the Copyright Act of 1976 includes within its text other provisions specifically showing congressional intent to bring the states within its reach and to render them liable as infringers in the same manner as all other defendants, except where there are specific exemptions applicable to states. The 1976 Act contains numerous provisions referring to "governmental bodies", states and their subdivisions. The many references to states in the exemption provisions would be inexplicable if the draftsmen had not intended generally to include states within the definition of infringers. The following provisions are illustrative.

---

<sup>29</sup> As the court recognized in *Johnson v. University of Virginia*, 606 F.Supp. 321, 324 (W.D.Va. 1985) "the language of the 1976 Act is at least as sweeping, and probably more sweeping, than the language of the 1909 Act in identifying the class of defendants subject to copyright infringement suits." Accordingly, the *Johnson* court properly concluded, adopting the *Mills Music* analysis of the 1909 Act, that Congress clearly intended to abrogate Eleventh Amendment immunity in the 1976 Act. *Id.*

1. Section 118(d)(3) provides that "governmental bodies" that make a reproduction of a transmission program and fail to destroy it within 7 days "shall be deemed to have infringed" the copyright. "Governmental bodies" undoubtedly include state entities.<sup>30</sup>

2. Section 110(6) of the Act, debated at length before Congress, exempts from liability public "performance of a non-dramatic musical work by a governmental body" during a state fair. The "state fair exemption" also exempts the states from vicarious liability for copyright infringement by private concessionaires, business establishments, or other persons at state fairs.<sup>31</sup>

3. Section 110(2) exempts performance of copyrighted works by teachers or students if the performance is part of the systematic instructional activities of a governmental body, the performance is made for educational purposes and is received in a classroom by the disabled, or by employees of a governmental body as part of their official duties.

4. Section 602(a) provides that importation, without authority from the owner of the copyright, of copies or phonorecords is "an infringement of the exclusive right to distribute copies or phonorecords . . . actionable under §501." Section 602(a)(1) expressly excepts importation of such works "under the authority or for the use of the Government of the United States or of any State or political

---

<sup>30</sup> See, e.g., House Committee on the Judiciary, *Copyright Law Revision*, "Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law," 87th Cong. 1st Sess. at 129-30 (Comm. Print, July, 1961) ("Register's Report").

<sup>31</sup> The "state fair exemption" was vigorously debated before Congress. E.g., *Copyright Law Revision: Hearings on S.597, Before the Subcomm. on Patents, Trademarks and Copyrights of the Senate Comm. on the Judiciary*, 90th Cong. 1st Sess. at 21.

subdivision of a State, but not including copies or phonorecords for use in schools, or copies of any audio visual work imported for purposes other than archival use.”<sup>32</sup>

5. Under section 601(b)(3) (a provision that expired in 1986), the former ban on importing and distributing certain foreign produced copyrighted material did not apply “where importation is sought under the authority or for the use, other than in schools, of . . . any state or political subdivision of a state.”

When Congress wrote the definition of “infringer” in the 1976 Act, it would not have occurred to the draftsmen to say “Anyone, including the States” because the additional words would have been considered tautological. Congress knew that states and their political subdivisions had been using copyrighted works and registering their own copyrights for decades.<sup>33</sup> Congress had no reason to anticipate that, years later, opinions written by the Supreme Court, construing different statutory schemes, could be extended to the Copyright Act.

If there were any lingering doubt about congressional intention to exercise the full reach of its constitutional power to subject infringing states to the full range of statutory remedies in favor of a copyright owner, the legislative history dispels it. The history of the Copyright

---

<sup>32</sup> Congress’ intention to include states within the definition of infringers and the reasons for the exceptions are revealed in the House hearings. *E.g., Copyright Law Revision, Hearings on H.R. 4347, supra* n. 31, at 169.

<sup>33</sup> For example, California statutes had long authorized the registration of copyrights, of the state, the acquisition of copyrighted material, and the payment of royalties by political subdivisions. For the convenience of the Court, samples of the pertinent California statutes are attached as Addendum A hereto.

Act of 1976 repeatedly demonstrates that Congress meticulously examined the extent to which states used copyrighted works and decided that, except in the limited instances of exemption outlined above, states should be subject to liability for infringement.

The lengthy debate concerning the use of copyrighted music at state fairs is a striking example of Congress' attention to the issue of state liability for infringement.<sup>34</sup> It is evident from the testimony presented to the Senate that Congress believed that the states would be liable for copyright infringement *unless* their infringing conduct was expressly excepted in the Copyright Act.

Similarly, extensive testimony was offered to justify the need for exempting limited uses of copyright materials by libraries and by public radio and television stations, including those owned by state institutions.<sup>35</sup> No one

---

<sup>34</sup> *Copyright Law Revision: Hearings on S. 597 Before the Subcomm. on Patent, Trademarks and Copyrights of the Senate Comm. on the Judiciary*, 90th Cong., 1st Sess. at 31, (1967) (letter of Sen. Frank J. Lausche); *Id.* at 625; (statement of William B. Hartsfield, President, Southeastern Fair Ass'n); *Id.* at 632-636; (statement of William T. Collins, President, Outdoor Amusement Business Ass'n, Inc.); *Id.* at 1337 (letter from Sen. Jennings Randolph); *Id.* at 1338 (letter from C. T. Sydenstricker, Secretary-Manager, State Fair of West Virginia).

<sup>35</sup> *Copyright Law Revision: Hearings on H.R. 4347, H.R. 5680, H.R. 6831, H.R. 6835 Before Subcomm. No. 3 of the House Comm. on the Judiciary*, 89th Cong., 1st Sess. at 459-464 (1965) (statement of Dr. Charles F. Gosnell, Chairman, Comm. on Copyright Issues, Am. Library Ass'n); *Copyright Law Revision: Hearings on S. 1361 before the Subcomm. on Patents, Trademarks and Copyrights of the Senate Comm. on the Judiciary*, 93rd Cong., 1st Sess. at 97-98 (1973) (statement of Stephen A. McCarthy, Exec. Dir., Ass'n of Research Libraries); *Id.* at 100-02 (statement of Dr. Edmon Low, Chairman, Copyright Subcomm. of Am. Library Ass'n; *Copyright Law Revision:*

expressed any doubt that state instrumentalities would be liable for infringement under the Act unless the exemptions were granted.

A contrary reading of the 1976 Act would destroy the comprehensive national system of copyright protection that the draftsmen of the Constitution and of its Copyright Act intended. If states and their subdivisions were not subject to the remedies prescribed by statute, the limited monopoly envisioned by those draftsmen would vanish. Authors would be unable to guarantee the exclusivity of their copyrights if the states could exploit the rights without compensating their owners.<sup>36</sup> The point was vividly expressed in *Mills Music, Inc.*:

“[A] state may not, consistent with the Constitution, infringe the federally protected rights of the copyright holder, and thereafter avoid the federal system of statutory protections. The ‘exclusive Rights’ of an author, guaranteed under the

---

*Admin. of Justice of the House Comm. on the Judiciary*, 94th Cong., 1st Sess. at 213 (1975) (statement of Frank McKenna, Exec. Director, Special Libraries Ass’n).

See also *Copyright Law Revision, Preliminary Draft for Revised U.S. Copyright Law and Discussions and Comments on the Draft*, *House Comm. on the Judiciary*, Part 3, 88th Cong., 2nd Sess. at 322-24 (1964) (statement of Eugene N. Aleinkoff, General Counsel, Nat. Educ. Television and Radio Center); *Copyright Law Revision: Hearings on S. 597 Before the Subcomm. on Patent, Trademarks and Copyrights of the Senate Comm. on the Judiciary*, 90th Cong., 1st Sess. at 991-96 (1967) (statement of Edwin G. Cohen, Exec. Dir., Nat’l Center for School and College Television); *Id.* at 1003-1022 (statement of Chalmers H. Marquis, Exec. Dir., Educ. Television Stations, Nat’l Ass’n of Educ. Broadcasters).

<sup>36</sup> Scholars have concluded from the text and legislative history of the Copyright Act that Congress intended to abrogate Eleventh Amendment immunity. See, e.g., M. Nimmer, 3 *Nimmer on Copyright* §12.01[E] at 12-21 (1986).

Constitution and Copyright Act, would surely be illusory were a state permitted to appropriate with impunity the rights of lawful copyright holder[s]. Accordingly, we conclude that the Eleventh Amendment's sovereign immunity does not permit a state to nullify the rights reserved and protected by Congress, acting pursuant to the Copyright and Patent Clause." 591 F.2d at 1286.

**C. Immunizing States from Liability for Copyright Infringement Is Contrary to Accepted Principles of Federalism**

States, like California, have long understood that copyright protection is exclusively in the federal realm whenever Congress has acted on the subject. California statutes expressly authorize the state and its subdivisions to pay royalties to copyright owners.<sup>37</sup> The opinions of the Attorney General of California have long accepted California's amenability to suit under the copyright laws.<sup>38</sup>

---

<sup>37</sup> See, e.g., the California statutes collected in Addendum A.

Standing Order 100.4, subdivision (gg), of the *Bylaws and Standing Orders of the Regents of the University of California*, adopted April 18, 1969, as amended July 17, 1987, states:

"The President is authorized to develop and implement policies and procedures on matters pertaining to intellectual property including patents, copyrights, trademarks and tangible research products and to execute documents necessary for the administration of intellectual property, including those which may contain commitments existing longer than seven years. The President annually shall report to the Board on matters pertaining to intellectual property."

The state, and its political subdivisions, including the Regents of the University of California, have registered thousands of copyrights. See *discussion infra*, pp. 33.

<sup>38</sup> See, e.g., 65 Cal. App. 3d 106 (1982); 64 Cal. App. 3d

Imposing liability for copyright infringement does not impose unanticipated or serious burdens on state treasuries. In California these expenses are anticipated by statute.

To hold that states cannot be compelled to pay compensation for the use of copyrighted material would create results that the draftsmen of the copyright laws never contemplated. For example, California can sue any other state to enforce all of the statutory remedies to protect its own copyrights because the Eleventh Amendment "never bars suit, nor limits the available remedies in cases against . . . another state; these actions come within the original jurisdiction of the Supreme Court." 13 Wright, Miller & Cooper, *Federal Practice and Procedure*, § 3524, pp. 124-26 (1982). Thus, California could protect the copyrights of the University of California, but the University of Santa Clara, Stanford University, and other private universities could not protect their copyrights by invoking the same remedies against infringement by the University of California.

The University of California could obtain a single print of a major film, copy it, show it in campus theaters and rent copies to students without paying the copyright owner anything. It could buy one record of a superstar's hit song, copy it on tape cassettes, play it on the student radio station, and sell copies in the campus book store without paying a cent to the composer, the artist, or anyone else. It could check out one copy of a textbook, reprint hundreds of copies for sale to students and pay the author nothing for his work. The copyright owners could never recover so much as a fraction of their royalties against the unwilling state, and the exclusivity of their copyright monopoly would be destroyed.

---

186 (1981). For the convenience of the Court these Attorney General's Opinions are annexed hereto as Addendum B.

The possibility that the copyright owners could obtain an injunction against the state or its political subdivision to prevent future infringements of their works does not save the copyrights.<sup>39</sup> By the time the infringement was discovered and an injunction obtained, the value of the copyright would be seriously diminished or destroyed.

In order to hold that the Copyright Act did not override the Eleventh Amendment, the Court would have to attribute to Congress an intent to create first class copyrights for states and the United States and second class copyrights for everyone else.<sup>40</sup> Congress would also have to have intended that states would be permitted to deprive private copyright owners of their property rights without due process of law and without just compensation. The entire text of the 1976 Act and the history of copyright laws forbids ascribing such irrational intentions to Congress.

---

<sup>39</sup> The Eleventh Amendment does not bar federal suits against states to obtain injunctions to prevent future violations of federal law. See e.g., *Pennhurst State School & Hospital v. Halderman*, *supra*, 465 U.S. 89, 79 L.Ed.2d. 67, 79-80, 104 S.Ct. 900, 909; *Ex parte Young*, 209 U.S. 123, 52 L.Ed. 714, 28 S.Ct. 442 (1908).

<sup>40</sup> The Eleventh Amendment has no application to suits by the United States against a state. The Constitution confers exclusive jurisdiction of such suits in the Supreme Court. 13 Wright, Miller & Cooper, *supra*, *Federal Practice and Procedure*, §3524, pp. 124-26. The United States permits itself to be sued by private copyright owners for infringement. 28 U.S.C. §1400(a).



### III

## CALIFORNIA HAS WAIVED ITS ELEVENTH AMENDMENT IMMUNITY FROM COPYRIGHT INFRINGEMENT SUITS

A state waives the bar of the Eleventh Amendment when its intention to do so is expressed clearly. Except for *Parden, supra*, the Supreme Court has only focused its attention on the consent of the states to be sued in the federal courts when a remedy is available in the state courts for vindication of federally created private rights.<sup>41</sup> California eliminated its sovereign immunity to suits for damages in tort actions by judicial decision and by statute. See *Muskopf v. Corning Hospital District*, 55 Cal.2d 211, 11 Cal.Rptr. 89, 359 P.2d 457 (1961); Cal. Gov't Code §945 (West 1980) (public entity may sue or be sued). California has thus resolved the first inquiry in Eleventh Amendment adjudication by expressly consenting to suit, thereby, *pro tanto*, waiving sovereign immunity. The only remaining issue is whether California intended its consent specifically to waive its immunity to a suit for damages in copyright infringement actions triable only in the federal courts.

A state's intention to waive Eleventh Amendment immunity to suit in the federal courts cannot be inferred solely from a state's waiver of sovereign immunity in its own courts.<sup>42</sup> However, California's intent to subject itself

---

<sup>41</sup> "A State's constitutional interest in immunity encompasses not merely whether it may be sued, but where it may be sued." *Pennhurst State School & Hospital v. Halderman, supra*, 465 U.S. at 99, 79 L.Ed.2d at 78, 104 S.Ct. 907 [Emphasis in original].

<sup>42</sup> *Florida Department of Health & Rehabilitative Services v. Florida Nursing Home Ass'n*, 450 U.S. 147, 150, 67 L.Ed.2d 132, 136, 101 S.Ct. 1032, 1034 (1981) (*per curiam*). As the Court stated in *Great Northern Life Ins. Co. v. Read*, 322 U.S. 47, 54, 88 L.Ed. 1121, 1126, 64

to suits in federal court for copyright infringement is clearly found from a series of acts that, coupled with waiver of sovereign immunity in its own courts, constitutes a waiver of Eleventh Amendment immunity in the copyright context.

By statute, California recognizes its obligation to pay royalties to owners of copyrights by its educational institutions. For example, California Education Code section 60289 provides:

"The amount fixed for royalty and costs of films or copyright or patented matter in favor of any company, or individual, shall be presented by the Superintendent of Public Instruction to the state board for its approval. Claims shall be paid quarterly, in the same manner as other claims upon the State Treasury." Cal. Educ. Code §60289 (West 1980).

California Education Code section 60291 provides that the state board determines the cost price of books "by adding: (a) the cost of manufacture, (b) the contract price to be paid as royalty or for the use of films, maps, engravings, or copyrighted or patented matter, and (c) transportation costs."<sup>43</sup> Cal. Educ. Code §60291 (West Supp. 1987).

California statutes expressly authorize state subdivisions to secure copyrights and to collect royalties and other revenues from copyrights.<sup>44</sup> Acting pursuant to its broad

---

S.Ct. 873, 877 (1944): "[I]t is not consonant with our dual system for the federal courts . . . to read the consent to embrace federal as well as state courts . . . [A] clear declaration of the state's intention to submit its fiscal problems to other courts than those of its own creation must be found."

<sup>43</sup> See statutory materials collected in Addendum A hereto.

<sup>44</sup> See, e.g., Cal. Educ. Code §§72207, 35170 (West 1978), in Ad-

powers conferred by the California Constitution and, in exercise of its own rules of procedure, the Board of Regents of the University of California has registered thousands of copyrights.<sup>45</sup> The California Attorney General's opinions have consistently advised state officials that the state and its officials are subject to the copyright laws and that unauthorized use of copyrighted materials is an infringement.<sup>46</sup> The Regents of the University of California have defended themselves in federal court against misuse of the title of a copyrighted work without raising any Eleventh Amendment objections.<sup>47</sup>

If the states can raise the Eleventh Amendment bar to prevent paying compensation to copyright owners, they can assert the same defense to avoid paying compensation to patent owners. The Patent Act's definition of infringer, like that of the Copyright Act, literally includes states, but does not specifically name them.<sup>48</sup> States and their political

---

<sup>45</sup> LC MARC (Library of Congress Machine Readable Cataloging) Data Base contains the bibliographic records of works processed by the Cataloging Distribution Service of the United States Library of Congress cataloging all English language books since 1968, and some works in other languages. LC MARC Data Base reveals 3,140 copyrighted works registered in the name of the Regents of the University of California. (DIALOG LC MARC file, file No. 426).

<sup>46</sup> A representative sample of the Attorney General's Opinions is attached hereto. See Addendum B.

<sup>47</sup> *Brandon v. Regents of the University of California*, 441 F.Supp. 1086 (D. Mass. 1977) (owner of copyrighted film obtained damages for use of the film title in violation of the Lanham Act, 15 U.S.C. §1125(a) (1970)).

<sup>48</sup> "Except as otherwise provided in this title, *whoever* without authority makes, uses or sells any patented invention, within the United States during the term of the patent therefor [17 years], infringes the patent. (b) *Whoever* actively induces infringement of a patent shall be liable as an infringer. (c) *Whoever* sells a component of a patented machine . . . shall be liable as a contributory infringer." [Emphasis

subdivisions, including state universities, own thousands of patents. The Regents of the University of California have used the federal courts to enforce their own patents.<sup>49</sup>

The entire pattern of California's conduct in the copyright field — by legislation, opinions of her Attorney General, entry into the federal courts, and acceptance of the benefits of the copyright laws — leaves no reasonable doubt that the state has voluntarily subjected itself to the full reach of the copyright laws, including suits for damages for copyright infringement in the federal courts. California acted in that manner decades after the enactment of the Copyright Act of 1909 and has continued that conduct since the enactment of the Copyright Act of 1976. Thus, just as Alabama consented to FELA suits in the federal district court by operating an interstate railroad some twenty years after enactment of the FELA, California has "necessarily consented to such suit as was authorized by [the Copyright] Act." *Parden v. Terminal Railway Co.*, *supra*, 377 U.S. at 192, 12 L.Ed.2d at 240, 84 S.Ct. at 1213.

The Court's holding in *Parden* on the consent issue has been untouched by later Eleventh Amendment decisions. As the *Parden* court stated:

"Our conclusion that this suit may be maintained is in accord with the common sense of this Nation's federalism. A State's immunity from suit

---

added.] 35 U.S.C. §271.

35 U.S.C. section 281 provides: "A patentee shall have remedy by civil action for infringement of his patent." 35 U.S.C. §281.

Unlike the Copyright Act of 1976, however, the Patent Act contains no subsections excepting states from infringement for specific and limited uses of patents.

<sup>49</sup> See, e.g., *Regents of the University of California v. Howmedica, Inc.*, 530 F.Supp. 846 (D.N.J. 1981), *aff'd*, 676 F.2d 687 (2d Cir. 1982).

by an individual without its consent has been fully recognized by the Eleventh Amendment and by subsequent decisions of this Court. But when a State leaves the sphere that is exclusively its own and enters into activities subject to congressional regulation, it subjects itself to that regulation as fully as if it were a private person or corporation." 377 U.S. at 196, 12 L.Ed.2d at 233, 84 S.Ct. at 1215.

By its own conduct in the copyright field, California has left the sphere that is exclusively its own and entered that which is exclusively regulated by Congress. California has thereby consented to the jurisdiction of the federal courts over suits against her for copyright infringement.

#### IV

#### CONCLUSION

None of the reasons that have prompted the Supreme Court to scrutinize legislation closely to assure itself that Congress truly intended to subject unwilling states to damage suits in the federal courts exists in the copyright and patent fields. Congress has plainly stated its intention to encompass states within the comprehensive scheme of copyright regulation established by the Copyright Act of 1976 by expressly dealing with states, political subdivision, and governmental bodies in the text of the Act. The whole history of that Act and its predecessor, the Copyright Act of 1909, as amended, demonstrates that Congress intended to subject the states to the full reach of its constitutional power to establish, to protect, and to enforce the exclusive monopoly given to copyright owners. To permit states to deprive copyright owners of their statutory remedies for copyright infringement would impair or destroy the value

of copyrights and the national system that the draftsmen of the Constitution and the draftsmen of the Act intended to impose.

If authors cannot enforce their rights to royalties against states and their subdivisions, the losers are not only the copyright holders, but the state and its citizens as well. How many authors would be persuaded to write books for use in schools, colleges and universities if those entities were not required to pay the authors anything for their works? How many persons would pay royalties for an exclusive license to use copyrighted works if they knew that the same works could be used gratis by all of the states and their subdivisions, unless those entities volunteered payment? How many persons and firms whose livelihood depends on licensing copyrighted works would survive the destruction of the exclusivity of copyrights?

Congressional intent to protect copyright owners from infringement by anyone, including the states, and California's intent to embrace the copyright laws is unmistakable. Accordingly, California cannot raise the bar of the Eleventh Amendment to defeat the copyright owner's right to damages for infringement.

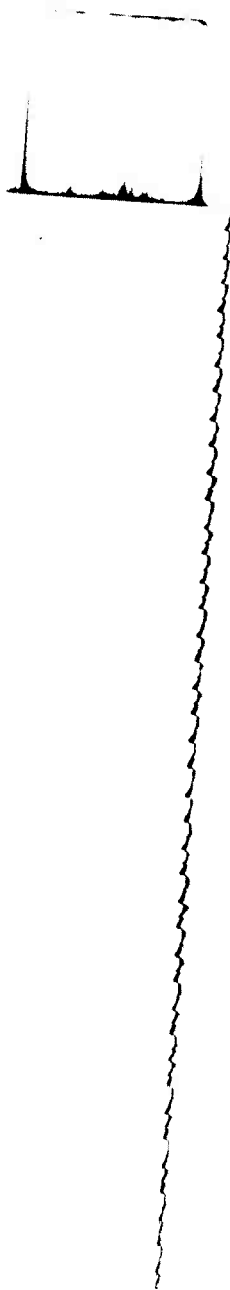
Dated: November 3, 1987

Respectfully submitted,

HUFSTEDLER, MILLER,  
CARLSON & BEARDSLEY

By: SHIRLEY M. HUFSTEDLER

*Attorneys for Amici Curiae*



**ADDENDUM A**





*The Organic Act*

**Chapter 244**

*Section 1.*

A State University is hereby created, pursuant to the requirements of Section four, Article nine, of the Constitution of the State of California, and in order to devote to the largest purposes of education the benefactions made to the State of California under and by the provisions of an Act of Congress passed July second, eighteen hundred and sixty-two, entitled an Act. . . .

But the Regents shall have power to supervise the general courses of instruction, and on the recommendation of the several Faculties prescribe the authorities and text books to be used in the several courses and colleges, and also confer such degrees and grant such diplomas as are usual in Universities. . . . (1868 Cal. Stat. 248, 256 [Current version at Cal. Const. art. IX, sec. g].)

*California Education Code*

*Section 32360. Copyrights; use of funds*

No funds shall be expended by a school district, community college district, a county board of education, or a county superintendent of schools to secure a copyright for any person or firm, but nothing in this section shall be construed to prevent the governing board of any school district, community college district, or county board of education from securing copyrights, in the name of the district or board, to all copyrightable works developed by the district or board.

(Stats., 1976, c. 1010, §2, operative April 30, 1977.)

**Section 32361. Copyrights, use of employee worktime**

A school district, a community college district, a county board of education, or a county superintendent of schools shall not use the regular worktime of any employee to secure a copyright for any person or firm, but nothing in this section shall be construed to prevent the governing board of any school district, community college district, or county board of education from securing copyrights, in the name of the district or board, to all copyrightable works developed by the district or board.

(Stats. 1976, c. 1010, §2, operative April 30, 1977.)

**Section 35170. Authority to secure copyrights**

The governing board of any school district may secure copyrights, in the name of the district, to all copyrightable works developed by the school district, and royalties or revenue from said copyrights are to be for the benefit of the school district securing said copyrights.

(Stats. 1976, c. 1010, §2, operative April 30, 1977.)

**Section 39528. Sale, gift or exchange of published material; license of copyrights**

A school district may, in accordance with regulations adopted by the governing board of the district and for educational use, sell, give, or exchange for similar published materials, published materials prepared by the district in connection with the curricular and special services that the district is authorized to perform. Unless restricted by the regulations of the governing board, the sale or gift may be made to, and the exchange may be made with, any person, political subdivision, public officer or agency, or educational institution. The distribution of the published material in accordance with this section is declared to be a public

purpose and in furtherance of Article IX, Section 1, of the Constitution.

A school district may also license the use of copyright held by the district, to the same persons or entities and for the same purposes as provided in the above paragraph.

The district shall grant a license to any public agency organized under the authority of this state, unless a exclusive license has previously been granted a private publisher.

Any charge which may be assessed such a public agency for the license to use the copyright or for materials, to which the district holds the copyright, shall not exceed the cost to the district of the preparation and reproduction of the materials.

Any granting of a license, by a school district, to reproduce copyrighted material is declared to be for a public purpose in furtherance of Article XI, Section 1, of the Constitution.

(Stats. 1976, c. 1010, §2, operative April 30, 1977.)

#### *Section 60281. Means of acquisition*

The state board may acquire instructional materials included in any list adopted by the board for use in the elementary schools, by any one or more of the following means determined by the board to be in the best interests of the state:

(a) Purchase them directly from the publisher or manufacturer at any of its offices in the State of California or from any publishers' or manufacturers' depository in the State of California, except that instructional materials other than textbooks, and other than instructional materials systems and instructional materials sets which include

textbooks, may be purchased directly from the publisher or manufacturer.

(b) Compile them, or cause them to be compiled and manufacture them.

(c) Lease films, dies, maps, engravings, or copyright or patented matter for use in manufacturing them.

(d) Contract for, or lease copyrights for use in compiling, printing, or publishing them.

(e) Provide for either the payment of royalties or for the leasing of films or both, or for making the whole or any part of the material. . . .

***Section 60289. Approval of amount for royalty and costs, copyright, and patent***

The amount fixed for royalty and costs of films or copyright or patented matter in favor of any company, or individual, shall be presented by the Superintendent of Public Instruction to the state board for its approval. Claims shall be paid quarterly, in the same manner as other claims upon the State Treasury.

(Stats. 1976, c. 1010, §2, operative April 30, 1977.)

***Section 60291. Determination of cost price of books***

On receiving a copy of the cost-finding report and the estimated cost of the publishing of any book, the state board shall determine and fix the cost price of the books. The cost price shall be determined by adding: (a) the cost of manufacture, and (b) the contract price to be paid as

royalty or for the use of films, maps, engravings, copyrighted or patented matter.

(Stats. 1976, c. 1010, §2, operative April 30, 1977.)

**Section 72207. Authority to secure copyrights**

The governing board of a community college district may secure copyrights, in the name of the district, to any copyrightable works developed by the district, and royalties or revenue from said copyrights are to be for the benefit of the district securing said copyrights.

(Stats. 1976, c. 1010, §2, operative April 30, 1977.)

*California Public Contract Code*

**Section 10318. Specification for bids, prohibition of certain specific designations; bonds by bidders**

No state agency or employee thereof shall draft or cause to be drafted, any specifications for bids, in connection with the purchase or contemplated purchase of any supplies, materials, or textbooks for use in the day and evening elementary schools of the state, in such a manner as to limit the bidding directly or indirectly, to any one bidder.

Bidders may be required to furnish a bond or other indemnification to the state against claims or liability for patent infringement.

(Added by Stats. 1983, c. 1231, §4, eff. Sept. 30, 1983.)

*Bylaws and Standing Orders of the  
Regents of the University of California*

**PREFACE**

These Bylaws and Standing Orders of The Regents of the University of California were adopted by The Regents on April 18, 1969, at which time all previous Bylaws and Standing Orders were Rescinded. They include amendments adopted to and including July 17, 1987.

**STANDING ORDERS**

*Standing Order 100.4. Duties of the President of the  
University*

\* \* \* \*

(gg) The President is authorized to develop and implement policies and procedures on matters pertaining to intellectual property, including patents, copyrights, trademarks, and tangible research products, and to execute documents necessary for the administration of intellectual property, including those which may contain commitments existing longer than seven years. The President annually shall report to the Board on matters pertaining to intellectual property.

**ADDENDUM B**





B-1

65 OPS. CAL. ATTY. GEN. 106  
Opinion No. 81-503—February 5, 1982

**SUBJECT: INFRINGEMENT OF COPYRIGHT —**  
The showing of video-cassette tapes of motion picture to prison inmates by correctional authorities without authorization from the copyright owner constitutes an infringement of copyright.

**Requested by: DIRECTOR OF CORRECTIONS**

**Opinion by: GEORGE DEUKMEJIAN,**  
Attorney General  
Ronald M. Weiskopf, Deputy

The Honorable Ruth L. Rushen, Director of Corrections has requested an opinion on the following question:

Does the showing of videocassette tapes of motion pictures to prison inmates by correctional authorities constitute an infringement of copyright?

### CONCLUSION

The showing of videocassette tapes of motion pictures to prison inmates by correctional authorities without authorization from the copyright owner constitutes an infringement of copyright.

### ANALYSIS

The Copyrights Act of 1976<sup>1</sup> declares copyright

---

<sup>1</sup> P.L. 94-553, title I (90 Stat. 2541) codified to title 17 of the United States Code. All unidentified section references will be to title 17 of the United States Code. The act was made effective January 1, 1978 (P.L. 94-553, tit. I, § 102 (90 Stats. at pp. 2598-2599); note prec. § 101) and applies to all recordings made after 1977.

protection to "subsist," in accordance with its terms in "... original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device." (§ 102, subsection (a).) Pertinent to our discussion, the term "original works of authorship" is defined to include "motion pictures and other audiovisual works"<sup>2</sup> within its rubric. (*Id.*, subsection (a)(6).) Section 106 of the act grants to the owner of a copyright in such a work the "exclusive rights... to perform [it] publicly" and to authorize the doing of the same by others, *subject* to the provisions of sections 107 through 118 which provide various limitations, qualifications and exemptions from "the exclusive rights" so granted. (§ 106.)<sup>3</sup> Section 107 compels a finding of noninfringement if the use made of a copyrighted work is a "fair use" under the particular circumstances,

---

other grounds, *Universal City Studios, Inc. v. Sony Corp. of Amer.* (9th Cir. 1981) 659 F.2d 963.) Our efforts are directed to resolving the question under the current act.

<sup>2</sup> The term "audiovisual works" is defined by section 101 to mean "... works that consist of a series of related images which are intrinsically intended to be shown by the use of machines or devices such as projectors, viewers, or electronic equipment, together with accompanying sounds, if any, regardless of the nature of the material objects, such as films or tapes, in which the works are embodied."

<sup>3</sup> The act also grants the owner a similar exclusive right to *display* his motion picture or other audiovisual work publicly. (§ 106, subsection (5).) The *display* of such a work however, in contrast to its *performance*, involves "the showing of the individual images *non-sequentially*." (§ 101, "display;" see also *H.Rept.*, op. cit., *infra*, at fn. 6, at pp. 63-64; *S.Rept.* op. cit., *infra* at fn. 6, at p. 60.) Clearly that is not the case with the showing of motion pictures, which by definition involves the showing of related images *in succession* to impart an impression of motion. (§ 101, "motion pictures;" see also *H.Rept.*, at pp. 63-64; *S.Rept.*, at p. 60.)

while sections 108 through 118 provide specific exemption for particular situations. Otherwise anyone who violates any of the exclusive rights of the copyright owner is an infringer of the copyright. (§ 501.)

We are told that videocassettes, most of which are dramatic works and theatrical motion pictures the copyright in which is held by a third party and is not in the public domain, are to be shown by state correctional authorities to the inmates in various California penitentiaries under the following arrangement:

The tapes are to be initially purchased by the authorities on a random basis from normal retail outlets at the prevailing retail rate with no special government concessions.<sup>4</sup> They are to be played solely within the prison and are to be exhibited to the prisoners over television viewers located in particular viewing areas.<sup>5</sup> In order to

---

<sup>4</sup> As we shall explain in greater detail, the purchase is made through a normal retail outlet which sells the cassettes to private individuals ostensibly for private, noncommercial home use, as opposed to being secured through a distribution outlet which has been authorized by the copyright owner to sell or rent the cassetted copy of the copyrighted work to institutions for unlimited and unrestricted use. The price of a cassette secured from the former source is between \$40 and \$100; when secured from the latter it will run between \$200 and \$600. This price differential no doubt reflects section 202 of the act which provides that "ownership of a copyright, or any of the exclusive rights under copyright, is distinct from ownership of any material object in which the work is embodied" and that transfer of ownership of the latter "does not in itself convey any rights in the copyrighted work embodied in the object." (§ 202.) In other words the mere purchase of a cassette of a copyrighted work from a retail outlet does not permit use in derogation of the copyright owner's rights. Typically the cassettes so purchased contain a statement that they are for private (home) use only. (See p. 1 post.) The question still remains however as to whether that accurate reflects the owner's enforceable rights under the Copyrights Act.

<sup>5</sup> As we understand the technology, the video -

view a cassette, an inmate neither has to provide services nor pay compensation; in other words, there is to be no charge for their viewing. Individual inmates would not have free access to the tapes. As a general matter, the authorities of an individual institution are to choose the programming and while inmate preference may be solicited it is not required. Regardless of the popularity of any given video tape, it would only be shown once, or a few times, within the prison system and then returned to a central repository where it may be ordered by another institution. The tapes are only for exhibition to inmates incarcerated within the California prison system and not for any other purpose. Their exhibition is to be to the general prison community and is not to be open to their families or other members of the public. Strict security measures are to be enforced to prevent theft and duplication.

Since the states and state officials are subject to the copyright laws ( 64 Ops.Cal.Atty.Gen. 186, 191 (1981)), we are asked whether this showing of videocassettes to prison inmates by correctional authorities would constitute a copyright infringement. We conclude that since that exhibition would constitute a "public" performance within the meaning of section 106 and since it would not amount to a "fair use" of the copyrighted motion picture or audiovisual work within the meaning of section 107 nor be covered by one of the exemptions provided in sections 108 through 118 a copyright infringement would occur.

---

recorded on the videocassette tapes or disks are converted into electronic signals by playing them in a machine, such as the playback mechanism of a video recorder. The electronic signals are then transmitted to a monitor, such as a television set, capable of reproducing the video signals as pictures on a viewing screen and the audio signals as sound through speakers. (Cf. *Universal City Studios v. Sony Corp. of America*, supra, 480 F.Supp. at p. 435.)

Article I, section 8 of the federal Constitution vests Congress with the power to "promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries." (U.S. Const., art. I, § 8, cl. 8) Pursuant to this constitutional grant of authority Congress enacted a copyright law at its very first session in 1790 (Stats. at L. (Peters), ch. 15, p. 124): "An Act for the Encouragement of Learning, by Securing the Copies of Maps, Charts, and Books, to the Authors and Proprietors of Such Copies During the Times Therein Mentioned", and from time to time Congress has amended and revised it to reflect new technologies of user and to accord protection to new forms of expression. (See 17 U.S.C. § 102, historical note; *H.Rept.* No. 94-1476 at p. 47.)<sup>6</sup>

Inasmuch as the rights so secured by copyright are wholly statutory, owing their creation to the federal statute passed in exercise of the aforementioned constitutional provision. (*American Tobacco Co. v. Werkmeister* (1907) 207 U.S. 284, 291; *Bobbs-Merrill Co. v. Straus* (1908) 210 U.S. 339, 346; *Holmes v. Hurst* (1899) 174 U.S. 82, 83; *Krafft v. Cohen* (3d Cir. 1941) 117 F.2d 579, 580), copyright holders have monopoly power *only over those uses* of their works that Congress has protected (*Bobbs-Merrill Co. v. Straus*, *supra*, 210 U.S. at pp. 346-347; *Loew's, Inc. v. Columbia Broadcasting System* (S.D.Cal. 1955) 133 F.Supp. 165, 173). In other words "the right of an author to

<sup>6</sup> The Report on the act (No. 94-1476; 94th Cong. 2nd Sess.) of the House Committee on the Judiciary, cited herein as *H.Rept.*, is reprinted with references given to its pagination in [1976] U.S. Code Congression and Administrative News (vol. 5) at pages 5659-5809 and without such reference in the annotations following the appropriate sections in title 17, United States Code Annotated. The corresponding Report of the Senate Committee on the Judiciary (No. 94-1476) is also reprinted in [1976] U.S. Code Congression and Administrative News (vol. 5) at pages 5659-5809.

a monopoly of his publications is measured and determined by the copyright act." (*Holmes v. Hurst, supra.*)

As mentioned above, in 1976 Congress adopted a new Copyrights Act (P.L. 94-553 (90 Stat. 2541), 17 U.S.C. § 101 *et seq.*), revising what was essentially the Copyright Law of 1909. (See fn. 1, *ante.*) In the new act, as also mentioned, Congress has extended "a bundle of rights" to copyright owners in section 106, including the right to perform or authorize performance of a work publicly. (*Id.*, subsection (4).) But that right, as are all rights accorded a copyright owner under section 106, is "made 'subject to sections 107 through 118' and must [therefore] be read in conjunction with those provisions." (*H.Rept.*, at p. 61; *S.Rept.*, at p. 57.) Thus, in answering the question of whether Congress has accorded protection through the Copyrights Act of 1976 to the owners of the copyrights in the recorded audiovisual material from the type of use projected here, our analysis must be as follows: First, we must determine if the right has been extended, that is in our context whether the exhibition of the videocassettes to prisoners constitutes their being performed publicly so as to violate the exclusive right granted by section 106, subsection (4). If the answer is affirmative and it is concluded that the exhibition projected constitutes a "public performance," we must then determine whether the "fair use" doctrine set forth in section 107 applies and in addition we must examine whether one or more of the other statutory provisions (§§ 108-118) limiting the exclusive rights granted by section 106 might also apply.

#### 1. Section 106, Subsection (4): Public Performance

With respect to the requester's concern, the exclusive right which stands to be violated is that described in section 106, subsection (4), which grants to the owner of a copyright in a motion picture or other audiovisual work the right to control its public performance, thus:

"Subject to sections 107 through 118, the owner of copyright . . . has the exclusive rights to do and to authorize any of the following:

" . . . . .

" (4) *in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works, to perform the copyrighted work publicly. . . .*"

We have no doubt that the showing of a videocassette by correctional authorities to prison inmates constitutes a performance of the taped work within the meaning of section 106, subsection (4). Section 101 defines pertinent terms (and their variant forms) for purposes of the Copyrights Act, and provides that "to perform a work" means to recite, render, play, dance, or *in the case of motion picture or other audiovisual work, to show its image in any sequence or to make the sounds accompanying audible.*" The question though is whether the performance of the work constitutes the type of public performance section 106, subsection (4), protects. Our initial instinct course would be to answer that question in the negative by summarily rejecting the notion that a prison could be considered a "public place," but the copyright law demands further analysis which will belie our initial reaction.

The phrase "to perform a work publicly" when used in the Copyrights Act is defined by section 101 to mean either

"(1) To perform . . . it at a place open to the public or *at any place where a substantial number of persons outside of a normal circle of a family and its social acquaintances is gathered;* or

"(2) To transmit or otherwise communicate performance or display of the work to a place specified in clause (1) or to the public, by means of any device . . . .



receiving the performance or display receive it in the same place or in separate places and at the same time or at different times." (§ 101; emphases added.)

Faced with this statutory language, the showing of videocassettted works under the circumstances described appears to mean that they would be performed publicly. Although a prison is certainly not open to the general public with its ingress and egress carefully controlled (see, e.g., 63 Ops.Cal.Atty.Gen. 295, 296 (1980)), it is however still a place where unhappily a "substantial number of persons outside of a normal circle of a family and its social acquaintances is gathered." Such a substantial number of persons would be gathered to view the films, bringing the showing of them within the definition of "public performance" set forth in section 101, clause (1). And even if the actual viewing of the videocassettes by the inmates would take place in different viewing areas, that would involve a "transmission" of the works (§ 101, "transmit")<sup>7</sup> to separate places where such a "substantial number of persons . . . is gathered" and would thus constitute a "public performance" of them as the term is defined in section 101, clause (2).

It has been suggested however that the interpretation of the act's language is not that simple and its legislative history must be examined. But the legislative history is at best inconclusive and "it would be highly improper to construe [it] so as to apply [the] statute in a manner inconsistent with its claimed meaning." (*Universal City Studios v. Sony Corp. of America*, *supra*, 659 F.2d at pp. 968-969, citing *United States v. Wilson* (9th Cir. 1979) 591 F.2d 546.) Thus, although it is clear from the legislative

---

<sup>7</sup> To "transmit a performance" means "to communicate it by any device or process whereby images or sounds are received beyond the place from which they are sent." (§ 101.)

history, that by defining public performance as it did Congress intended to reject a line of cases that had developed under the 1909 act, typified by *Metro-Goldwyn Mayer Distrib. Corp. v. Wyatt* (D.Md. 1932) 21 C.O. Bul 203, which maintained that a performance was never "public" as long as the audience was in any way limited to a group more restricted than the general public, regardless of size, such as that in a club where only members and invitees were present (see *H.Rept.*, at p. 64; *S.Rept.*, at p. 64) and appears to have come closer to the more restrictive holdings of another line of cases which held that a performance would not be "public" where those restrictions were effective and meaningful so that a substantial segment of the public would be precluded from attending (see, e.g., *Lerner v. Club Wander In, Inc.* (D.Mass. 1959) 174 F.Supp. 731, 732; *Lerner v. Shectman* (D.Minn. 1964) 228 F.Supp. 354, 357-358), still we cannot say that Congress meant to go so far as to bring the showing of videocassettes in correctional institutions within the ambit of "public performance." The legislative history states that:

"One of the principal purposes of the definition was to make clear that, contrary to the decision in . . . *Wyatt* . . . performances in 'semi-public places such as clubs, lodges, factories, summer camps and schools are public performances' subject to copyright control." (*H.Rept.*, at p. 64; *S.Rept.*, at pp. 60-61.) (Emphasis added.)

And the history also states:

"Routine meetings of businesses and governmental personnel would be excluded because they do not represent a gathering of a 'substantial number of persons.' " (*Ibid.*)

Although a prison is *not open to the general public* at all times and although unlike the club or other quasi-public

gathering of voluntary members the viewing audience in a prison is only for *involuntary* participants, still it represents a gathering in a place of a "substantial number of persons outside of a normal family and its social acquaintances" and the showing of the videocassettes threat would squarely fit the definition of "public performance" Congress has given. So conceived, we conclude that the showing of videocassettes to inmates by correctional authorities would amount to their being "performed publicly" within the meaning of section 101, and that that activity is protected from infringement by section 106, subsection (4).

## 2. Section 107: Fair Use

Section 107, to which a copyright owner's "exclusive rights" granted under section 106 are subject, codifies the doctrine of "fair use" that was developed by courts in cases arising under the 1909 Act as an "equitable rule of reason" to balance the competing interests of the copyright owner and the public generally. (*H.Rept.*, at pp. 65-66; *S.Rept.*, *supra*, at p. 62; cf. *Universal City Studios v. Sony Corp. of America*, *supra*, at 480 F.Supp. at pp. 447-448 and cases cited.) Characterized as "the most troublesome in the whole law of copyright" (*Dellar v. Samuel Goldwyn, Inc.* (2d Cir. 1939) 104 F.2d 661, 662), the doctrine was used "to create a privilege in others than the owner of a copyright to use the copyrighted material in a reasonable manner without [the owner's] consent, notwithstanding the monopoly granted to the owner." (*Rosemont Enterprises v. Random House* (2d Cir. 1066) 366 F.2d 303, 306, cert. den. (1967) 385 U.S. 1009.) While section 107 codified the doctrine and characterized "fair use" as a noninfringement rather than an excused infringement, in enacting the section Congress did not intend to "change, narrow, or enlarge the doctrine in any way." (*H.Rept.*, at p. 66; *S.Rept.*, at p. 62.)

Section 107 does not define "fair use," nor was it intended to do so given both (a) the impossibility of

providing a general definition for an equitable rule which is to be applied on the varied facts of each case and (b) rapidly changing technology. (*Ibid.*; see also *Universal City Studios v. Sony Corp. of America*, *supra*, 659 F.2d at 1969.) Rather, the section was designed to offer some general guidance to users by providing a number of factors to be considered in determining if the principles of the "fair use" doctrine apply, i.e., whether the projected use made of work in any particular case is a "fair use." (*H.Rept.*, at pp. 65-66; *S.Rept.*, at pp. 62-63.) Thus, "[t]he line which [is to] be drawn between fair use and copyright infringement depends on an examination of the facts in each case. It cannot be determined by resort to any arbitrary rules or fixed criteria." (*Meeropol v. Nizer* (2d Cir. 1977) 560 F.2d 1061, 1068, cert. den. (1978) 434 U.S. 1013.)

Section 107 provides:

"Notwithstanding the provisions of section 106, the fair use of a copyrighted work, including such use by reproduction and copies. . . or by any other means specified by that section, for purposes such as criticism, comment, news reporting, teaching . . . scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include:

"(1) The purpose and character of the use, including whether such use is of a commercial nature or is for non-profit educational purposes;

"(2) The nature of the copyrighted work;

"(3) The amount and substantiality of the portion used in relation to copyrighted work as a whole; and

"(4) The effect of the use upon the potential market for or value of the copyrighted work."

(§ 107, codified almost verbatim from *Williams & Wilkins v. United States* (Ct. Cl. 1973) 487 F.2d 1345, 1352, *aff'd per curiam* (1975) 420 U.S. 376.)

However, as is pointed out in the latest exposition of the fair use doctrine which is binding upon us, to wit, *Universal City Studios v. Sony Corp. of America*, *supra*, 659 F.2d 963, (hereinafter, "*Sony*"), before we can proceed to apply the four factors given in section 107 to the facts of our situation, we must first cross the threshold issue of whether the fair use doctrine is even available in it. (659 F.2d at pp. 970, 971-972.) In *Sony* the court viewed the statutory framework of the Copyrights Act to be a grant of exclusive rights limited only by statutory exceptions, and it said courts should not disrupt that framework "by carving out exceptions to the broad grant of rights *apart from those in the statute itself*." (*Id.*, at p. 966.) Accordingly, in copyright analysis it placed the proverbial monkey on a user's back to show that an intended use of a copyrighted work once protected under section 106, *is specifically permitted by a specific exemption* found in sections 107 through 118, and not on the copyright holder's back to show that it is not. (*Ibid.*) Needless to say, with this frame of reference the court took a narrow view of the availability of the fair use doctrine. From the preamble to section 107, it limited the availability of the fair use defense to cases involving "productive" uses of copyrighted material, that is to say to cases where a user adds his own further input to an original work as copyrighted, the types of situations mentioned therein. As the court explained:

"As the first sentence of § 107 indicates, fair use has traditionally involved what might be termed the 'productive use' of copyrighted material. [Citation.] The purposes listed in § 107

are simply illustrative and not limitative, but they do give some idea of the general orientation of the doctrine. It is noteworthy that the statute does not list... 'entertainment' . . . as [one of the] purposes within the general scope of fair use.

"Leon Seltzer, in his illuminating book *Exemptions and Fair Use in Copyright* (1978) states:

" 'The list, casual or studied as it may be, reflects what in fact the subject matter of fair use has in the history of its adjudication consisted in: *it has always had to do with the use by a second author of a first author's work* in order to use it for its intrinsic purpose—to make what might be called the "ordinary" use of it. When copies are made for the work's "ordinary" purposes, ordinary *infringement* has customarily been triggered, not notions of fair use.' *Id.* at 24. [Emphasis in original.]

"The cases have, for the most part, adhered to this aspect of the fair use doctrine. If an alleged infringer has reproduced a copyrighted work to use it for its intrinsic purpose, fair use has not generally been applied. [659 F.2d at p. 970.]

"Without a 'productive use', *i.e.* when copyrighted material is reproduced for its intrinsic use, the mass copying of the sort involved in this case precludes an application of fair use." (*Id.*, at pp. 971-972.)

*Sony*, it is true, involved home videorecording, the copying from the air of copyrighted motion pictures<sup>8</sup> while in o

<sup>8</sup> Section 106, subsection (1) grants the owner of a copyright the right "to reproduce [and authorize others to reproduce] in any form or by any means, now known or hereafter invented, copies of his copyrighted work."

situation the movies have already been copied or recorded, and no further reproduction is involved. But as we have seen, another right given the copyright holder by section 106 stands to be violated: that to perform or authorize the performance of the copyrighted work publicly. (§ 106, subsection (4).) Since the situation before us and that before the court in *Sony* both involve use of the work for its intrinsic purpose without additional input or embellishment by the user, i.e., since they involve a "nonproductive use," and inasmuch as we are constrained to follow *Sony*, we have to seriously question whether the fair use doctrine is any more available herein than in that case.<sup>9</sup> But as in *Sony* we

---

<sup>9</sup> The legislative history clearly supports the *Sony* court's statement that the purposes listed in section 107 are simply illustrative and not limitative. (See *H.Rept.*, at p. 65; *S.Rept.*, at p. 62.) However we are not as sure that it supports the court's next statement that those purposes give some idea of the general orientation of the doctrine. The section's emphasis on education is reflective of the fact that "most of the discussion of 107 [in the House Judiciary Committee] ... centered around classroom reproduction, particularly photocopying." (*H.Rept.*, at p. 66.) That the same standards of fair use would be applicable to other activities has been stated in both the House and Senate Judiciary Committee Reports:

"The concentrated attention given the fair use provision in the context of classroom teaching activities should not obscure its application *in other areas*. It must be emphasized again that the same general standards of fair use are applicable *to all kinds of uses* of copyrighted material, although the relative weight to be given them will differ from case to case." (*H.Rept.*, at p. 72; see also *S.Rept.*, at p. 65.)

"It is also important to emphasize that the singling out of some instances to discuss in the context of fair use is *not intended to indicate that other activities* would or would not be beyond fair use. (*S.Rept.*, at p. 65.)"

To limit availability of the doctrine to cases involving "productive use" also ignores Congress' recognition that ...

cover ourselves. Despite its pronouncement that the situation before it precluded an application of the fair use doctrine the court in *Sony* proceeded nonetheless to analyze the four factors listed in section 107 only to find that a contrary result was not required. (659 F.2d at p. 672) Following *Sony*, and ever mindful of the aforementioned characterization of the "fair use" doctrine, we undertake to examine the factors enumerated in section 107:

a. *The purpose and character of the use.* The first factor, the purpose and character of the use, was included as "an express recognition that, as under [prior] law, the commercial or nonprofit character of an activity, while not conclusive to fair use, can and should be weighed along with other factors in fair use decisions." (*H.Rept.*, at p. 66; see also *S.Rept.*, at p. 63.) Clearly the use contemplated here is noncommercial and nonprofit, but that does not conclusively determine the matter, for the statute does not draw a simple commercial/noncommercial distinction. (*Universal City Studios v. Sony Corp. of Amer.*, *supra*, 659 F.2d at p. 972; *cf. Meeropol v. Nizer*, *supra*, 560 F.2d at p. 106; *Rosemont Enterprises, Inc. v. Random House, Inc.*, *supra*, 366 F.2d at p. 307; *Loews' Incorporated v. Columbia Broadcasting System*, *supra*, 131 F.Supp. at p. 175.) Indeed, the 1976 Act was designed to eliminate the outright exemption under the 1909 statute for noncommercial and nonprofit use. (*H.Rept.*, at pp. 62-63; *S.Rept.*, at p. 5) Furthermore, the factor contrasts commercial and nonprofit educational purposes, and we have no reason to distinguish our situation from that in *Sony* where the court observed that "there is no question that the copying



entertainment works for convenience does not fall within the latter category." (659 F.2d at p. 972.)

Examining the purpose of the use here contemplated, we must acknowledge that videocassette technology has undoubtedly provided correctional authorities with an important tool to further the rehabilitation and education of inmates, legitimate ends of the penal system,<sup>10</sup> and that it has given them greater flexibility in accommodating concerns of security to presentation of such materials. (*Cf. S.Rept.*, at p. 64 (recording of an instructional transmission for the purposes of delayed viewing by students in a remote area constitutes fair use).) Nevertheless, while the prison exhibition of motion pictures and other audiovisual works using videocassette technology would serve important public interests, the inescapable fact remains that the primary purpose for that showing is *entertainment*. That being the case, it is less likely that a claim of fair use will be accepted. (*Cf. Universal City Studios v. Sony Corp. of Amer*; *supra*, 659 F.2d at p. 972.) As Sony observed: "It is noteworthy that the statute does not list . . . 'entertainment' . . . as [one of the] purposes within the general scope of fair use." (659 F.2d at p. 970, fn. omitted.) It is also noteworthy that while Congress has provided a specific exemption from copyright infringement in section 110, clause (1) for "the performance . . . of a work by instructors or pupils in the course of face-to-face teaching activities," the legislative history makes it clear that that exemption does *not* apply to "performances . . . that are given for the recreation or

---

<sup>10</sup> Motion pictures are not only produced for entertainment but also as a vehicle for contemporary social commentary. Their being such enables them to be utilized as part of the effort made toward the rehabilitation and education of prisoners to help them return as productive members of society. Also as with literary works in a prison library, showing motion pictures to inmates does much to dissipate their isolation in prison and to reaffirm their touch with the "outside."

entertainment of any part of their audience." (*H.Rept.*, at p. 81; *S.Rept.*, at p. 73; see also discussion of § 110(1) *infra*. Surely then the nature of the use, entertainment, would weigh against a finding of fair use.

A reexamination of the character of the use contemplated herein confirms our conclusion that the first factor weighs against fair use being found. As we have seen, not only has a distinction been made between the "intrinsic use" of a copyrighted work which sees it taken *in toto* and reproduced or otherwise used without further embellishment by the user and the "productive use" of such a work in which a user takes a copyrighted work but adds his own efforts to it toward the creation of something else, but the serious question has been raised as to whether the fair use doctrine is even available to protect the former type of use from a claim of copyright infringement. (*Universal City Studios v. Sony Corp. of Amer.*, *supra*, 659 F.2d at pp. 970-971-972.) Certainly, the use projected here is of the intrinsic genre: Motion pictures are to be taken *in toto* to be reproduced or rather performed without change or further embellishment made to their content or to their original purpose. Accordingly, since the purpose of the use is to be *entertainment* and its character is thus *intrinsic*, there can be no doubt that the first factor weighs against a finding of fair use.

b. *The Nature of the Copyrighted Work.* The second factor in fair use analysis requires an examination of the nature of the copyrighted work.

The works before us are copyrighted motion pictures and other audiovisual dramatic works that have been reduced to videocassette. Although we have characterized a purpose for their creation as being one of social commentary or education, and although we have said that *as used* the materials can serve important public purposes, still

created for "entertainment" purposes.<sup>11</sup> It would therefore appear that their nature would not readily serve the general "public interest in the free dissemination of information," a cardinal factor favoring a determination of "fair use" (*Rosemont Enterprises, Inc. v. Random House, Inc.*, *supra*, 366 F.2d at p. 307; see also *Time, Inc. v. Bernhard Geis Associates* (S.D. N.Y. 1968) 293 F.Supp. 130, 146), and their being characterized as "entertainment" makes it "less likely that a claim of fair use will be accepted." (*Universal City Studios v. Sony Corp. of Amer.*, *supra*, 659 F.2d at p. 972, fn. omitted.)<sup>12</sup>

It is noteworthy the Copyrights Act treats motion pictures and other audiovisual works with special solicitude reflecting "no doubt, the relatively large economic investment involved in [their] creation and the especial danger posed by unauthorized reproductions." (*Universal City Studios v. Sony Corp. of Amer.*, *supra*, at p. 967 and 967, fn. 4, referencing §§ 108(h), 110(1), 112(a).) That Congress was especially concerned about the exposure of those forms of expression to the fair use doctrine is evident from the legislative history. There, even in the favored position given uses of educational broadcasts and classroom reproduction, Congress expected that the availability of the fair use doctrine would be narrowly circumscribed and applied strictly in the case of motion pictures or other audiovisual works. (*H.Rept.*, at p. 65; *S.Rept.*, at pp. 64, 72; but see *H.Rept.*, at pp. 71-72.) Thus in examining the nature of the copyrighted work, both the medium in which it is presented (a motion picture or other audiovisual work) and

<sup>11</sup> As we have shown they are also so primarily used, which is why the nature of that use is "intrinsic."

<sup>12</sup> We recognize that the line between "the transmission of ideas" and "mere entertainment" is often much "too elusive" to draw. (*Stanley v. Georgia* (1969) 394 U.S. 557, 566.)

the purpose for which it was created (entertainment) lead us to conclude that the second factor weighs against finding fair use.

c. *The Amount and Substantiality of the Portion Used.* The third factor with which section 107 guides us in our determination of fair use is "the amount and substantiality of the portion used in relation to the copyrighted work as a whole." Needless to say, with the showing of videocassettted motion pictures to inmates the amount of the work used is its *entirety*; the complete copyrighted work is "taken" for performance. Without question, that taking (coupled with the fact that the use to which it is put is nonproductive) inveighs heavily against fair use being found. (*Universal City Studios v. Sony Corp. of Amer.*, *supra*, 659 F.2d at p. 973.)<sup>13</sup>

---

<sup>13</sup> We are aware that the notion of substantiality of a taking defeating fair use developed in a different context; that it properly arose in the context of cases involving "parodies" where the question was whether the parodist appropriated a greater amount of the original work than was necessary to create the criticism or satire (see, e.g., *Walt Disney Productions v. Air Pirates* (9th Cir. 1978) 581 F.2d 751, 757 & 757, fn. 13; cert. den. (1979) 439 U.S. 1132; *Berlin v. E.C. Publications, Inc.* (2d Cir. 1964) 329 F.2d 541, 544, cert. den. (1964) 379 U.S. 822; *Meeropol v. Nizer*, *supra*, 560 F.2d at p. 1070; *Rosemont Enterprises, Inc. v. Random House, Inc.*, *supra*, 366 F.2d at p. 310; *Loews', Inc. v. Columbia Broadcasting System* (S.D.Cal. 1955) 239 F.Supp. 165, 175, aff'd. sub nom. *Benny v. Loew's, Inc.* (9th Cir. 1956) 239 F.2d 532, aff'd. (1956) 356 U.S. 43); and that some courts have held that those cases are to be treated differently from other cases. (*Walt Disney Productions v. Air Pirates*, *supra*, 581 F.2d at p. 757, fn. 13; *Berlin v. E.C. Publications*, *supra*, p at pp. 544-545; *Universal City Studios v. Sony Corp. of Amer.*, *supra*, 480 F.Supp. at p. 456; contra *Benny v. Loew's, Inc.*, *supra*, 239 F.2d at pp. 536-537.) Nonetheless, although their context may be different, the notion found in the parody cases of productive use is not different from the situation we have here. Neither the parodist who over-appropriates nor the

d. *The Effect of the Use Upon the Potential Market of Value of the Copyrighted Work.* The fourth and last factor in the fair use calculus is "the effect of the use upon the potential market or value of the copyrighted work," commonly known as the issue of harm. It was the misapprehension and misapplication of this factor by the court below that the Court of Appeals in *Sony* found most egregious: too great a burden had been placed on the copyright owner to establish actual harm (659 F.2d at pp. 971, 973-974), insufficient attention had been given to the cumulative effect of the activity in question upon the owner's potential market (*id.*, at p. 974, 976) and the importance that the economic considerations undergirding the factor of fair use have in the entire copyrights scheme had been improperly minimized. (*Id.*, at pp. 965, 967, fn. 4, 970, 971, 973, 974, 976.) So aware, we proceed with our analysis of the fourth factor in section 107.

In discussing the potential market for a copyrighted work we must not forget that section 106, subsection (4) gives a copyright owner the exclusive right to authorize its public performance and that section 202 carefully distinguishes between the ownership of that right (in the copyright holder) and the ownership of the material thing in which it is embodied (i.e., the cassette). In other words the mere buying of a cassette does not mean that the purchaser can perform it willy-nilly in derogation of any of the rights of the copyright owner including that of being able to authorize its being performed publicly, unless an exception in the Act (§§ 107-118) so permits.<sup>14</sup> (*Universal City*

<sup>14</sup> For example, as a limitation on the right of reproduction, an embellishment makes a productive use of the copyrighted material.

<sup>14</sup> For example, as a limitation on the exclusive right granted the copyright owner by section 106, subsection (5) to control the public display of his work, section 109(b) provides that the owner of a lawfully made copy "is entitled, without the authority of the copyright owner, to display that copy publicly, for private use in a household, by burning, projecting, or otherwise making a material visible to a group of individuals viewing it from separate locations."

*Studios v. Sony Corp. of Amer.*, *supra*, 659 F.2d at p. 966; see also *H.Rept.*, at pp. 79, 124; *S.Rept.*, at pp. 71-72; and compare § 109(a): subsequent *disposition*.)

As we understand the industry practice, exploitation of the videotape medium normally occurs *after* the basic motion picture or other audiovisual work has already been exhaustively exploited in its first runs in motion picture theaters. In other words, with a few possible exceptions, the copyrighted works are made available on the videocassette medium only after their economic potential from their primary original and first use (in the theaters) has been realized, and it is only at this juncture that the copyright holder tries to exploit the work through subsidiary means, such as by showing it on television and in a number of delayed subruns at motion picture theaters, and by having it placed on the videocassette medium. But although a secondary market may be involved, its exploitation is not merely frosting on the profit cake. While the new videocassette technology may have created secondary markets for the copyright owner, still they have very real economic potential for him and are equally deserving of protection by the copyright laws. (Cf. *Universal City Studios v. Sony Corp. of Amer.*, *supra*, 659 F.2d at pp. 971, 972, fn. 9, 973, 974, 975.)

Regarding that market, we understand that a dual source together with a two-tiered pricing system exists for the sale

---

display that copy publicly, either directly or by the projection of no more than one image at a time, to viewers present at the place where the copy is located." That of course is not applicable here because we deal with a *performance* and not a nonsequential *display* of more than one image at a time. (See also *H.Rept.*, at p. 80; *S.Rept.*, at p. 72.) In fact, as will be discussed in the third part of this opinion, we find no exception in the

or rental of videocassettes, reflecting the contemplated use to be authorized by the transaction. Institutional users can obtain videocassettes from a copyright owner's authorized distributors for a price in the range of \$200 to \$600, with rights of unrestricted performance, including public or even commercial showing being contemplated and authorized. On the other hand, for perhaps one-fifth the price (\$40 to \$100), individuals can obtain the same work from a retail outlet but there only private or home use is contemplated and authorized. That restriction is made very clear to the individual retail purchaser (or renter) because a cassette itself will invariably carry a notational warning of the limited nature of its authorized use. Thus on tapes using the Beta and VHS format the following statement appears:

"The copyright proprietor has licensed the picture contained in the video-cassette for private home use only and prohibits any other use, copying, reproduction or performance in public, in whole or in part."

RCA SelectaVision Video Discs bear the following statement:

"The copyright proprietor has licensed the program contained in this videodisc for private use only and prohibits any other use, copying, or reproduction in whole or in part. The public exhibition, or any exhibition for which an admission fee or other charge is made to those viewing this program, is strictly prohibited."

Purchasers of videotapes and videodiscs (herein, "videocassettes") are thus put on notice that the copyright owner has *not* authorized the use of his work for public performances. Needless to say, using cassettes purchased on the normal retail market, where only private use is authorized, for other purposes such as institutional use and

public performance without paying the premium therefor would completely destroy the economic potential of the special market authorized by the copyright owner to accommodate them. Thus while it might well be accepted that the showing of videocassettes purchased through retail outlets to inmates in correctional institutions might not have a harmful effect on the *primary* market of the copyright owner—the inmates not being likely to be able to go to a theater to see the first run in any event nor disinclined to do so because of the institution's showing of the cassetted version (*Universal City Studios v. Sony Corporation of Amer.*, *supra*, 480 F.Supp. at p. 468, *cf. id.*, at p. 451)—still a market *does exist* which stands to be affected by that activity. Inasmuch as the Copyrights Act protects a copyright owner's exploitation of that market from that potential harm, we find that the fourth factor weighs against a finding of fair use.

Accordingly, in the context presented herein, a consideration of the four guiding factors offered in section 107 leads us to conclude that the showing by correctional authorities of videocassettes containing copyrighted motion pictures or other audiovisual works to prison inmates would not be a "fair use" of the work within the meaning of and permitted by that section.

### 3. *The Other Statutory Exemptions: Sections 108 through 118*

Section 106, as we have seen, subjects the exclusive rights granted therein to a copyright owner to the provisions of sections 107 through 118. We have just determined that the fair use defense codified in section 107 would not be available in the situation presented by the requester, i.e., the showing of videocassetted motion pictures or other audiovisual works to prison inmates by correctional authorities. Our discussion however cannot be complete



without reviewing the other sections to which the copyright owner's exclusive rights might be subject.

We can summarily pass over sections 111 through 118 since they apply to entirely different types of works. (§§ 111 (secondary transmissions), 112 (ephemeral recordings), 113 (pictorial, graphic and sculptural works), 114 (sound recordings), 115 (nondramatic musical works on phonograph records), 116 (nondramatic musical works in juke boxes!), 117 (computers), 118 (noncommercial broadcasting).) And because they deal with different activity we can similarly skim over section 108 (reproduction by libraries and archives) and section 109, subsection (a) (second sale or other disposition (*cf.* § 202; and see *H.Rept.*, a pp. 79, 124; *S.Rept.*, at pp. 71-72).) Section 109, subsection (b) also would not be germane to the situation with which we deal because it grants an exemption from the provisions of section 106, subsection (5) dealing with the exclusive right to *display* copyrighted works, which concept requires a nonsequential showing. (§ 101, see *fns.* 3, 14, *ante.*) Moreover, even with respect to display, the exemption was not meant to effect a copyright owner's market for reproduction and distribution of copies. (*H.Rept.*, at p. 80; *S.Rept.*, at p. 72.)

We are left with section 110 which declares certain types of performances not to be infringements of copyright and thus merits closer examination. Most of the exemptions contained in section 110 obviously do not apply to our situation,<sup>15</sup> but those provided in clauses (1) and (5) might

---

<sup>15</sup> Clause (3) deals with performances of works in the course of religious services. Clauses (2), (4), (6), (7) and (8) relate to the performance of nondramatic literary or musical works, which we have assumed is not the type of work being exhibited to the inmates. Furthermore clause (6) applies to the performance of a nondramatic musical work by a governmental body . . . in the course of a fair or

appear to do so.

Clause (1) declares not to be an infringement of copyright the: "performance . . . of a work by instructors or pupils in the course of face-to-face teaching activities of a nonprofit educational institution, in a classroom or similar place devoted to instruction. . . ." But here, even though the use for which the exhibition of the videocassettes is made in the correctional setting might be characterized as being in part educational, it is only so in a different sense from that contemplated by the phrase "teaching activities" in clause (1). The latter is more personal, systematic, programmed, designed and purposefully instructional than general "education" of prisoners. Furthermore, as we discussed above, the legislative history makes it clear that while "the reference to 'teaching activities' exempted by the clause encompasses systematic instruction of a very wide variety of subjects . . . they do *not* include performances . . . that are given for the recreation or entertainment of any part of their audience." (*H.Rept.*, at p. 81; *S.Rept.*, at p. 73.) The legislative history also points out that the reference to "similar place devoted to instruction" was included to refer to the term "classroom" and not to the term "non-profit educational institution." (*H.Rept.*, at p. 82; *S.Rept.*, at pp. 73-74.) Given that understanding we cannot neatly fit the purposes of education such as they are in the penal institution into section 110(1). In any case, the demand that the teaching activity be face-to-face would preclude the application of the clause where the educational message is contained *in the film itself*. (*H.Rept.*, at p. 81; *S.Rept.*, at p. 73.)

---

exhibition, and clause (7) to its being performed by a vending establishment. Clause (8) applies only to the adaption (performance) for the blind of a nondramatic literary work.

We are left with subsection (5) which declares a noninfringement of copyright:

"[The] communication of a transmission embodying a performance . . . of a work by the public reception of the transmission on a single receiving apparatus of a kind commonly used in private homes, unless—

"(A) A direct charge is made to see or hear the transmission; or

"(B) The transmission thus received is further transmitted to the public."

This exemption however was designed to protect someone "who merely turns on, in a public place, *an ordinary* radio or television receiving apparatus of a kind commonly sold to members of the public *for private use*" (*S.Rept.*, at p. 86) under the rationale that "the secondary use of the transmission by turning on an ordinary receiver in public is so remote and minimal that no . . . liability should be imposed." (*Ibid.*) It was not meant to cover situations where standard radio or television equipment is augmented "with sophisticated or extensive amplification equipment" to improve the aural or visual quality of the performance. (*S.Rept.*, at p. 87; *cf. Twentieth Century Music Corp. v. Aiken*, *supra*, 422 U.S. 151 (four ordinary loudspeakers grouped within a relatively narrow circumference of the set is permissible).) In the situation envisioned herein, there would be a sophisticated and extensive augmentation of the versatility of the monitor. Although that might not necessarily be from an amplification of its audio or visual capacity, still the system would involve more than the ordinary and unembellished television receiver, and therefore we do not believe its use falls within the spirit of the exemption provided in clause (5). Were we to interpret it

otherwise, the exemption would consume the "exclusive rights" granted the copyright holder by section 106.

We therefore find that none of the clauses of section 110 is applicable to the situation presented in the request, and that none of the statutory exemptions contained in sections 108 through 118 affords basis upon which to conclude that noninfringement of copyright takes place.

Accordingly, having determined that the exhibition by correctional authorities of videocassette tapes of motion pictures or other audiovisual works to inmates in state prisons would amount to the copyrighted work being performed publicly within the meaning of section 106, subsection (4), and that the "fair use" doctrine of section 107 would not be available under the circumstances, we conclude that the showing of those works to prison inmates by correctional authorities without authorization from the copyright owner would constitute an infringement of copyright.

64 OPS. CAL. ATTY. GEN. 186  
No. 80-1106—March 3, 1981

**SUBJECT; PUBLIC RECORDS ACT**—An elementary or high school district must provide a copy of a textbook or other written instructional material used in the district pursuant to a request, accompanied by the requisite fee, made pursuant to the California Public Records Act. Exceptions to this obligation would be if: (a) it is test material exempt from disclosure by the Act; (b) providing the copy would infringe a copyright; (c) providing the copy would constitute an unreasonable burden on the operation of the district.

**Requested by: MEMBER OF THE ASSEMBLY,  
SEVENTH DISTRICT**

**Opinion by: GEORGE DEUKMEJIAN,**  
Attorney General  
Paul H. Dobson, Deputy

The Honorable Norman S. Waters, Member of the Assembly, Seventh District, has requested an opinion on the following question:

May a person obtain from an elementary or high school district a copy of a textbook and other written instructional material used in a district school pursuant to the provisions of the California Public Records Act?

### CONCLUSION

An elementary or high school district must provide a copy of a textbook or other written instructional material used in the district pursuant to a request, accompanied by the requisite fee, made pursuant to the California Public Records Act unless: (a) it is test material exempt from disclosure by the Act; (b) providing the copy would

infringe a copyright; or (c) providing the copy would constitute an unreasonable burden on the operation of the district.

## ANALYSIS

The California Public Records Act (ch. 3.5 (commencing with § 6250), div. 7, tit. 1 of the Gov. Code) generally provides that public records, which are maintained by a state or local agency, are open to public inspection at all times during office hours of the agency. (Gov. Code, § 6253.)

Government Code section 6256 provides:

"Any person may receive a copy of any identifiable public record or copy thereof. Upon request an exact copy shall be provided unless impractical to do so. Computer data shall be provided in a form determined by the agency."

Government Code section 6257 provides:

"A request for a copy of an identifiable public record or information produced therefrom, or a certified copy of such record, shall be accompanied by payment of a fee or deposit to the state or local agency, provided such fee shall not exceed the actual cost of providing the copy, or the prescribed statutory fee, if any, whichever is less."

Government Code section 6258 provides that a person may institute judicial proceedings for injunctive or declaratory relief to enforce the right to inspect or to receive a copy of any public record.

Subsection (d) of Government Code section 6252 defines "public records" for purposes of the act to include "any writing containing information relating to the conduct of the public's business prepared owned or controlled by a public agency."

any state or local agency regardless of physical form or characteristics." Subsection (e) of section 6252 provides:

" 'Writing' means handwriting, typewriting, printing, photostating, photographing, and every other means of recording upon any form of communication or representation, including letters, words, pictures, sounds, or symbols, or combination thereof, and all papers, maps, magnetic or paper tapes, photographic films and prints, magnetic or punch cards, discs, drums, or other documents."

Local school districts are agencies subject to the provisions of the California Public Records Act. (§ 6252, subsections (a) and (b).)

By the reference to "textbooks and other written instructional materials" in the question, we understand the requester to mean instructional material within the meaning of title 2, division 3, part 33 (§ 6000 *et seq.*) of the Education Code. Education Code section 60011 provides:

" 'Instructional material' means all materials designed for use by pupils and their teachers as a learning resource and which help pupils to acquire facts, skills, or opinions or to develop cognitive processes. Instructional materials may be printed or nonprinted and may include textbooks, educational materials and tests."

Section 60016 provides:

" 'Textbook' means a book designed for use by pupils as a source of instructional material, or a teachers edition to the same book."

The Education Code set forth certain requirements with respect to the content of instructional materials. (See Ed. Code, §§ 60040-60047; 60110, 60650.) It also sets forth various provisions with respect to the selection, adoption,

and procurement of textbooks and other instructional materials for elementary schools (Ed. Code, §§ 60200-60315.) and secondary schools. (Ed. Code, §§ 60400-60420.)<sup>1</sup>

Our first task is to determine whether instructional materials are "public records" within the meaning of the California Public Records Act. The legislative intent behind the California Public Records Act is to provide public access to *information* concerning the conduct of the people's business. (*Northern California Police Practices Project v. Craig* (1979) 90 Cal.App.3d 116, 123.) It is not limited to particular documents recording official action, but also includes information which is supplied to the government which may not in itself reveal official action, but may have sharp relevance to inquiries into official conduct. (See *Black Panther Party v. Kehoe* (1974) 42 Cal.App.3d 645, 652.)

In 58 Ops.Cal.Atty.Gen. 65, 67 (1975) we had occasion to construe the phrase "... any writing containing information relating to the conduct of the public's business ..." in subsection (d) of Government Code section 6252 with respect to a pupil's mental examination report on file in a school district and found it to be a "public record" within the meaning of that provision. There (at p. 67) we stated:

"The 'business' of a school district is the education of students and the report in question was obtained in order to promote such education."

Instructional materials are also obtained and used to promote education—the "business" of a school district. The

---

<sup>1</sup> We note that with respect to materials used in elementary schools the statutory scheme expressly provides for public participation in the selection of instructional materials. (Ed. Code, §§ 60200-60215.)



content of textbooks and other instructional materials may not itself reveal government action, but the fact that such material has been considered or selected for use, or is being used for instruction in the public schools, clearly relates "to the conduct of the public's business." (Cf. *Northern California Police Practices Project v. Craig*, *supra*, 90 Cal.App.3d 116 (training materials used by the California Highway Patrol held covered by the act).)

We note in this respect that Government Code section 6254 exempts from disclosure certain records which would otherwise be public records open to inspection pursuant to Government Code section 6253. (*Cook v. Craig* (1976) 55 Cal.App.3d 773, 781.) Accordingly, in some cases, the exceptions set forth in section 6254 may by reference demonstrate the breadth of the term "public records" in section 6252. (See *Cook v. Craig*, *supra*, at p. 782.)

With respect to instructional material subsection (g) of section 6254 exempts "[t]est questions, scoring keys, and other examination data used to administer [an] . . . academic examination, except as provided for in chapter 3 (commencing with section 99150) of part 65 of the Education Code." As we have seen a "test," like textbooks and other educational materials, is included in the definition of "instructional material" in Education Code section 60011. Thus, the Legislature in exempting certain types of instructional material from the disclosure requirements of the California Public Records Act, has revealed its intent that the act does apply to other instructional material.<sup>2</sup> We

---

<sup>2</sup> The disclosure and copying of any "pupil record," i.e., an item of information directly related to an identifiable student, is governed by Education Code sections 49060-49078 which prevail over the provisions of the California Public Records Act. (Ed. Code, § 49060.) Thus, if any "instructional material" as defined in Education Code section 60011 also contains "pupil record" information, that information would not be

conclude that textbooks and other written instructional material used in a public school constitute public records subject to the provisions of the California Public Records Act.

We are asked whether a person may obtain a copy of such record pursuant to the Act. Government Code section 6256 states the rule that unless an identifiable public record is exempt from disclosure, a person may not only inspect it but also "receive" a copy of the record.

In *Rosenthal v. Hansen* (1973) 34 Cal.App.3d 754, the Court of Appeal had occasion to consider the issue of "... whether the [California] Public Records Act mandates any public official or department to prepare and provide copies of all public records regardless of their nature and regardless of their bulk." In *Rosenthal*, the plaintiff sought to have California Department of Human Resources Development provide him with copies of (a) the department's Benefit Determination Guide, (b) all other circulated papers, memos, manuals and documents used to determine eligibility for unemployment insurance benefits, and (c) the amendments, deletions, additions, supplements, updates and all other changes in these materials. Plaintiff offered to pay any reasonable fee incurred in furnishing the copies. None of these records were exempt from disclosure and they were all available to the public for inspection in the offices of the defendant at all reasonable times.

The original request for copies involved, according to defendant's estimate, 80,000 to 85,000 pages of material. Defendant declined to provide plaintiff with such copies. The trial court denied plaintiff's petition, finding: (1) that

---

subject to general disclosure although there may be a duty to excise the confidential information from the nonconfidential information. (See *Northern California Police Practices Project v. Craig*, supra, 80 Cal App 3d 116.)

the California Public Records Act did not require defendants to provide plaintiff with copies of public records not yet in existence, (2) that it was not the intent of the California Public Records Act to permit persons to make general requests for public records from state agencies, (3) that where a general request for copies of public records is made the Act requires that the person making the request be provided with the public records so that he may reproduce the public records himself at his own cost, and (4) that public agencies are required to provide at a reasonable cost copies of public records in response to a request for specific records related to a specific subject matter.

On appeal plaintiff abandoned his contention that he was entitled to receive automatically copies of records which would be prepared in the future. The Court of Appeal affirmed the trial court's decision. It concluded that while the California Public Records Act would appear literally to make the right to inspect and the right to receive copies coextensive, the literal language of section 6256 must give way to the settled principle of statutory interpretation that language of a statute should not be given a literal meaning if to do so would result in absurd consequences which the Legislature did not intend. (*Rosenthal v. Hansen, supra*, 34 Cal.App.3d at p. 760.)

The Court of Appeal cited *Bruce v. Gregory* (1967) 65 Cal.2d 666, a case which predated the California Public Records Act, but which construed a former provision in the Code of Civil Procedure which authorized a citizen to inspect and obtain a copy of any public writing of the state. The Supreme Court in *Bruce* concluded that the right to inspect and have a copy made of a public document was not absolute but was subject to the implied rule of reason. The Court in *Bruce* held that a custodian of public records could formulate reasonable rules and regulations necessary

to protect the safety of the records against loss, to prevent inspection from interfering with the orderly function of the public agency, and to generally avoid chaos in record archives.

The Court of Appeal in *Rosenthal* applied the rule of reasonableness set forth in *Bruce* and held that while the plaintiff had the right to secure specific documents, public agencies could impose reasonable restrictions on general requests for voluminous classes of documents restricting copies to specific requests.

As we have seen, with the exception of test questions, scoring keys and other examination data (Gov. Code, § 6254, subsection g), instructional material is subject to disclosure pursuant to the California Public Records Act. The *Rosenthal* case states the rule that upon request and upon the payment of a statutory fee or reasonable charge, a public agency has the duty to provide a person with a copy of any identifiable public record unless under the circumstances it would be unreasonable to do so. The reasonableness of any particular request for a copy of a public document presents a factual issue.

We have no particular facts before us and we cannot in this opinion set forth a definitive rule which would apply to all possible requests for copies of instructional materials. As already indicated, the Education Code sets forth a specific procedure for the adoption and procurement of instructional materials. In some cases it may be a simple matter to provide a copy of a particular instructional material to a person.<sup>3</sup> On the other hand, a particular request for copies

---

<sup>3</sup> For example, Education Code section 52327 authorizes the governing board of a school district which maintains a regional occupational center to establish a bookstore on district

of instructional materials may place an unreasonable burden on school officials. In such cases under the rule of the *Rosenthal v. Hansen*, *supra*, 34 Cal.App.3d 754, a school district would not be obligated to furnish such copies.

In this respect, we note the problem of copyrighted instructional materials. (See generally, 17 U.S.C. § 101 *et seq.*) Textbooks are often copyrighted and textbook publishers may resist uncompensated copying of portions of their copyrighted materials. (See Treece "Library Photocopying," (1977) 24 U.C.L.A. L.Rev. 1020, 1052.) In addition to textbooks, other educational materials may be the subject of a copyright. (See, e.g., *Gelles-Widmer Company v. Milton Bradley Company* (7th Cir. 1963) 313 F.2d 143 (copyright on educational flashcards).)

States and state officials are subject to federal copyright laws. (*Mills Music, Inc. v. The State of Arizona* (9th Cir. 1979) 591 F.2d 1278; see also *Association of American Medical Colleges v. Carey* (N.D.N.Y. 1980) 482 F.Supp. 1358, 1361-1363; but see *Wihl v. Crow* (8th Cir. 1962) 309 F.2d 777.) We believe it is clear that the Legislature in enacting the California Public Records Act did not intend it to be used in a manner which would constitute a copyright infringement. We note that the Act itself expressly exempts from disclosure records the disclosure of which would be prohibited by federal law. (Gov. Code, § 6254, subsection k.) The Act does not address the issue of reproducing records, the reproduction of which is prohibited by federal law. However, to construe the Act as intending to authorize such activity would clearly result in an absurdity not intended by the Legislature.<sup>4</sup> (*Cf. Rosenthal v. Hansen, supra*, 34

---

materials from lists adopted by the State Board of Education "for use only in California."

<sup>4</sup> The Education Code provides for the payment of royalties to publishers of instructional materials. (See Ed. Code, §§ 60222, subsection

Cal.App.3d at p. 760-761.) Thus, we conclude that school authorities may refuse to honor a request pursuant to the California Public Records Act for a copy of copyrighted material, where the reproduction of such material would constitute a copyright infringement or where it would place an unreasonable burden on the school authorities to provide such a copy in compliance with copyright restrictions.

We emphasize that, even though instructional materials may be copyrighted, in many cases, it may be possible to comply with the California Public Records Act without infringing upon a copyright. For example, it would not be an infringement of a copyright to provide a person with a particular copy of copyrighted material if the copy has been purchased by the public agency. (17 U.S.C. § 109, subsection (a).) Additionally, reproduction of copyrighted material under certain limited circumstances may fall within the "fair use" exception to copyright restrictions. (17 U.S.C. § 107; *Key Maps, Inc. v. Pruitt* (S.D. Tex. 1978) 470 F.Supp. 33 (county fire marshall's reproduction and distribution of copyrighted fire zone maps held to constitute "fair use" in view of public interest in dissemination of maps for fire prevention purposes).)

It is our conclusion, therefore, that an elementary or high school district must provide a copy of a textbook or other written instructional material used in the district pursuant to a request, accompanied by the requisite fee, made pursuant to the California Public Records Act unless: (a) it is test material exempt from disclosure by the Act; (b) providing the copy would infringe a copyright; or (c) providing the copy would constitute an unreasonable burden on the operation of the district.

18 OPS. CAL. ATTY. GEN. 203  
Opinion No. 51-123—November 1, 1951

**SUBJECT:** STATE BOARD OF EDUCATION may purchase right to use copyrighted musical selections in manual prepared by Department of Education and approved by Board for use in public schools, without complying with minimum and maximum time limits set by Education Code section 11184, or requiring bond from copyright owners.

**Requested by:** SUPERINTENDENT OF PUBLIC INSTRUCTION.

**Opinion by:** EDMUND G. BROWN, Attorney General.  
Elizabeth Palmer, Deputy.

Honorable Roy E. Simpson, Superintendent of Public Instruction, has requested the opinion of this office on the following question:

“Does Education Code section 11184 apply to the purchase by the State Board of Education of the right to use certain copyrighted materials (musical selections) in a teachers manual prepared by the Department of Education and adopted by the Board of Education for use in the public elementary schools?”

The conclusions reached may be summarized as follows:

The provisions of Education code section 11184 do not apply to the purchase by the State Board of Education of the right to use certain copyrighted musical selections in a teachers manual prepared by the Department of Education and adopted by the State Board of Education for use in the public elementary schools.

The facts of the situation which have led to the submission of the above question are these:

The Consultant in Physical Education of the then Division of Health Education, Physical Education and Recreation, of the Department of Education, prepared, as part of her duties, a manuscript entitled a "Physical Education Program for California Schools." This manuscript included thirteen musical selections copyrighted by the A.S. Barnes Company and four musical selections copyrighted by the H.T. Fitzsimmons Company. At its March 1947 meeting the State Board of Education adopted the material in the manuscript as a teachers manual in physical education for use in the public elementary schools, under the authority of Education Code section 11151. At that time, apparently, it was not known to the State Board of Education that the musical selections referred to above were, in fact, copyrighted. When the material was being prepared for publication by the State Board of Education, the existence of the copyrights became known and negotiations were entered into with the copyright owners for the use of the copyrighted material. The A. S. Barnes Company offered to let the State Board of Education use the thirteen selections copyrighted by it for ten dollars for each selection, and the H.T. Fitzsimmons Company offered to permit the State Board of Education to use the four selections copyrighted by it for five dollars for each selection. The State Board of Education accepted these offers at its meetings held in January 1949.

A claim subsequently was submitted to the State Controller by the State Board of Education for the payment of the amounts due the copyright owners under the agreement referred to above. The State Controller rejected the claim because the provisions of Education Code section 11184 had not been complied with and cited Attorney General's Opinions 10178 and 45-182 (6 Ops. Cal. Atty. Gen. 126).



Section 11181 authorizes the State Board of Education to compile and manufacture text books as are now in use; to compile, or cause to be compiled, additional text books; to "purchase books when necessary or lease plates, maps, engravings, or copyright matter for use in manufacturing text books"; to contract for or lease copyrights for use in compiling, printing, or publishing text books; and to provide for the payment of royalties.

Section 11184 prior to its amendment by Chap. 660, Stats. 1951, read as follows:

"Whenever any plates, maps, or engravings of any publisher or author are adopted for use, or whenever any books are purchased, the State Board of Education shall enter into a contract for not less than six years nor more than eight years for their use in the elementary day and evening schools of the State, and shall require a good and sufficient bond of the owners of the books, plates, maps, or engravings under a written guarantee that they shall be kept, revised and free from all errors and up to date as may be required by the State Board of Education."

The 1951 amendment added a paragraph to the section to authorize the readoption of books after the original adoption period has expired. It has no bearing on the question herein considered.

Opinion 10178 was concerned with the situation where the State Board of Education in compiling text books for use in the public elementary schools of the state had voted to use certain text book matter contained in certain books. The authors of the books in return for certain royalties proposed to grant to the Board the right to use material in the text books for a period of not less than 6 years nor more than 8 years. The opinion held that the bond described in

School Code section 6.273 (now Education Code section [sic] 11184) was required in this particular case.

In 6 Ops. Cal. Atty. Gen. 126 the opinion was expressed that it would be unsafe to adopt a teachers manual prepared and published by a private concern for use in the schools for a one year period only because the 6 to 8 year period provided for in section 11184 might be construed to apply with equal force to teachers manuals as well as text books.

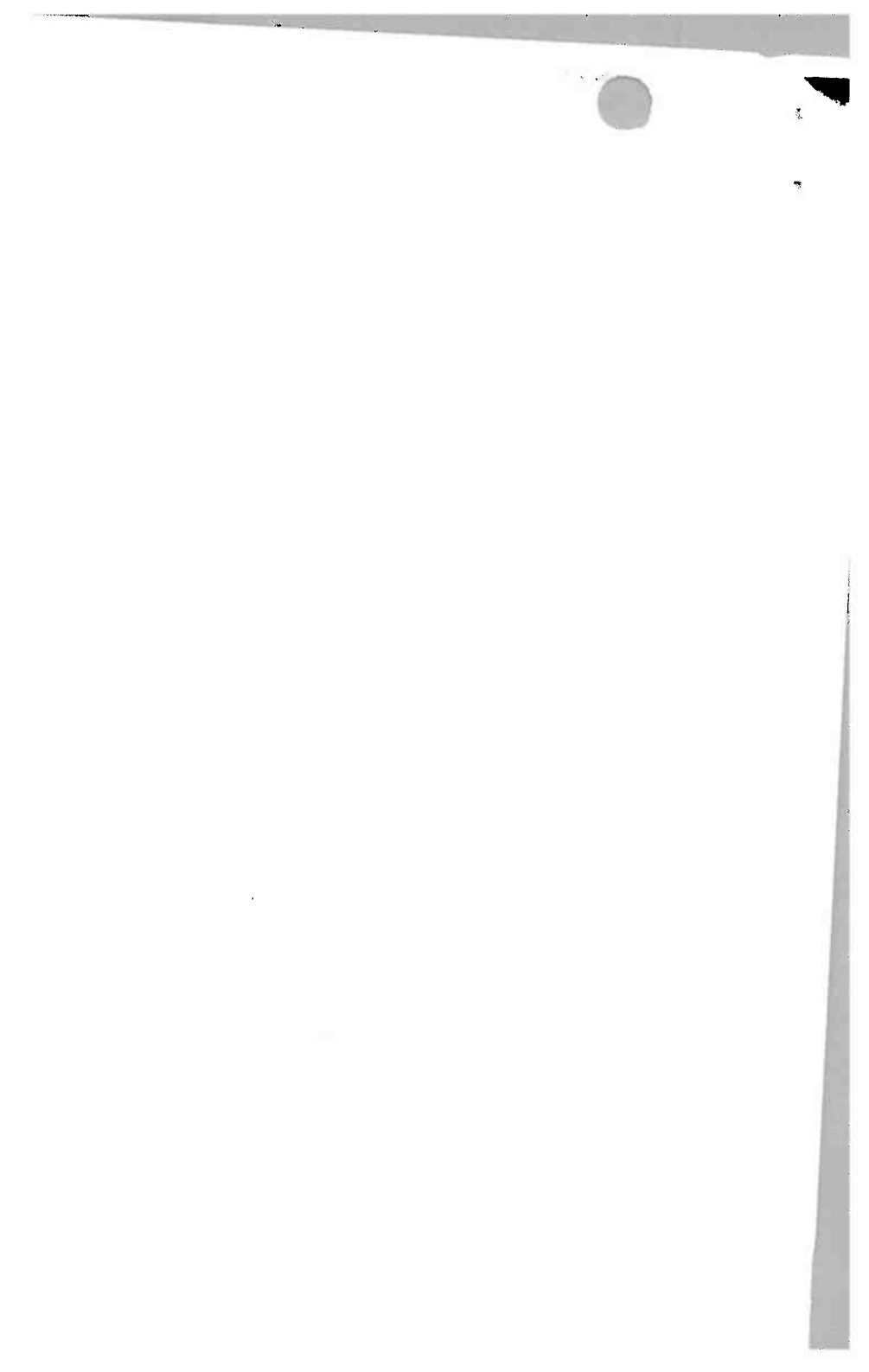
The situation here differs from the situations considered in Opinion No. 10178 and 6 Ops. Cal. Atty. Gen. 126. As you state "There is not here the situation in which the State Board of Education has adopted a teachers manual wholly prepared, published, or copyrighted by a private party. All that is involved in the present situation is the purchase by the State Board of Education of the right to use in a teachers manual prepared by the Department of Education certain copyrighted musical selections."

The purpose of securing a bond from the copyright owner is for the expressed pupose "that they (books, plates, maps, or engravings) shall be kept, revised and free from all errors and up to date as may be required by the State Board of Education." (section 11184).

Obviously a copyrighted musical selection differs from books, plates, maps or engravings in that there would be no need for the requirement that the copyright owner would keep the selection "revised and free from all errors and up to date as may be required by the State Board of Education." It is worthy of note that copyrighted musical selections are not specifically mentioned in section 11184 nor in our opinion are they covered by "books, plates, maps or engravings."

Since the manual was prepared by the Department of Education and the copyright owners of the musical selection authorized use of the selections in the manual for

a flat fee with no limitations as to the period of use, the agreement does not have to include the minimum and maximum period of use as provided by section 11184, and since section 11184 does not specifically include copyrighted musical selection nor would the purpose of section 11184 be served by requiring the bond, the State Controller should approve payment of the amounts due the copyright owners pursuant to the agreement herein referred to.





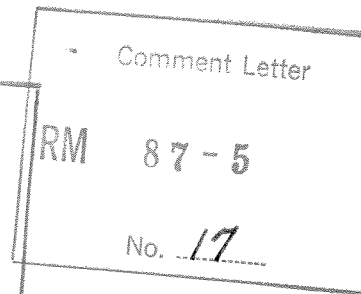
**HARCOURT BRACE JOVANOVICH, INC.**

ORLANDO, FLORIDA 32887 TELEPHONE (305) 345-3984 TELECOPIER: (305) 352-8125

RICHARD UDELL  
ADMINISTRATIVE VICE PRESIDENT AND COUNSEL

February 1, 1988

Office of the General Counsel  
U.S. Copyright Office  
James Madison Memorial Building, Room 407  
First and Independence Avenues, S.E.  
Washington, D.C.



Dear Ms. Schrader:

This letter is in response to the request by the Copyright Office for information on Eleventh Amendment immunity claims of immunity from suit for money damages in copyright infringement cases.

Harcourt Brace Jovanovich, Inc., a United States corporation, is one of the largest book publishers in the world. A major part of its book publishing enterprise is the development and publication of elementary, high school, and college textbooks for the United States market. This involves tens of millions of dollars of development expenditures annually and hundreds of millions of dollars of sales annually. By far the largest part of such sales are made to state government agencies. In the case of elementary and secondary school textbooks, virtually all of the sales are to state government agencies. With modern technologies capable of duplicating books rapidly and cheaply in whole or in part, copyright protection of such works would be illusory if Eleventh Amendment immunity claims were upheld.

The lengthy and thorough deliberations culminating in the 1976 Copyright Act contain a record of prolonged and careful consideration of educational uses of copyrighted materials. The Act grants numerous exemptions to states and to governmental bodies for specified activities, including classroom uses, and for the first time spells out criteria for determining "fair use". Such exemptions would have been unnecessary if Congress had intended that states and state educational systems were not as fully and completely subject to the Act as is any other user of copyrighted materials. State immunity from money damages for use of copyrighted material would revoke fundamental rights granted to creators under the Copyright Act.

in the market which makes possible the creation of these complex instructional programs.

The fierce competition among publishers as to quality and price of school programs, and the importance of obtaining major adoptions to support large investments, gives school systems, school districts, and even individual schools great bargaining power.

It has been suggested in the Copyright Office's request for information that publishers may be exerting undue pressure on state agencies to pay for uses of copyrighted works which are, in fact, fair use. In the context of the process described above, far from being subjected to any unreasonable demands by publishers, state agencies are able to extract from or even impose on publishers substantial concessions of basic rights under the Copyright Act that are go far beyond the borders of fair use, educational exemptions, or the educational guidelines incorporated in the legislative history.

As a condition of sale publishers are often required to grant permission to schools to create translations of entire works for distribution to thousands of students, or to make recordings for all students not merely for visually handicapped students, or to permit revisions of portions of works for other special purposes. Schools expect permission to create literally thousands of copies of translations or thousands of audio cassettes or derivative works and they expect publishers to grant these permissions at no charge.

In negotiating grants, the publisher attempts only to retain elementary safeguards with respect to the copyright in the work and to prevent distribution of the resulting translation, recording, or specially revised material outside the school district involved, to avoid the state agency's becoming a distributor of the publisher's materials in other forms or media. (Attached as Exhibit B, is the relevant portion of an agreement concerning such arrangements.)

In addition, statewide regulations increasingly require a pre-grant of these kinds of rights as a condition to the publisher's submission of a qualifying bid. (Attached as Exhibit C is a proposed regulation from the State of Texas.) Publishers have been required to grant permissions entailing the payment of substantial additional permission fees to the original copyright owner. For example, school reading programs contain numerous selections from a variety of sources. Industry practice is such that the permissions which are obtained and granted only extend to a specific edition and do not permit reproduction in any other form or medium or by a third party. The cost of generally obtaining broadened permissions that include recording and translation rights in advance of publication of a work could increase the cost of all permissions by more than 50 percent. It is obvious that private sector publishers cannot be expected to

As the discussion below will make clear, the sale of instructional materials to state agencies occurs in a climate which does not permit educational publishers to attempt to impose "unfair copyright or business practices" on their customers. Rather, the highly competitive nature of the business, as well as the power of states to impose regulations on publishers as a condition to qualification to bid for adoption contracts, results in adoption contracts with terms highly favorable to state agencies.

Educational publishing in the United States is inextricably intertwined with the process by which states "adopt" or choose those textbooks which will be used in their schools. Twenty-two U.S. states, primarily in the south and southwest, rely on the adoption process in the purchase of textbooks. Textbook sales in these states account for 48% of the market. The adoption process entails the public review of textbooks for content and suitability. On the basis of this review, each state board develops a short list of "approved" textbooks. A publisher whose book does not appear on a given state's list cannot sell that book in that state to any public school. The adoption process is cyclical, occurring once every four to six years. If not selected, a publisher's program (or textbook) is effectively excluded from that market until the next adoption.

This process, in addition to governing a publisher's access to a state market, also imposes strict limitations on price and the quality of materials used in manufacturing.

The state adoption contracts for school publications universally require that the publisher sell to the schools at the lowest price for each publication currently offered by the publisher to any customer ("most favored nation" clause). These prices must be set with the competing programs of other publishers in mind. State contracts uniformly require that the books meet stringent manufacturing specifications including special high quality paper, printing, and binding. (A copy of a typical adoption contract is attached to this letter as Exhibit A.)

The publishers' role in incorporating the results of current educational research into actual teaching and learning experiences is an often overlooked, but essential, contribution of publishing to the health of this nation's educational community. Elementary and secondary school instructional programs typically involve the participation of hundreds of authors and artists, reviewers, researchers, and independent consultants. Such programs, years in the making, contain many dozens of individually copyrighted works. Long-term planning for research and development and significant financial and personnel investments are required to create these works. The possibility of state adoption involving substantial and reasonably assured sales over many years is an important factor in the market which

invest in the development of new instructional materials if threatened by an Eleventh Amendment immunity claim by their customers. A similar situation exists for college textbooks, for psychological tests, as well as for scientific and medical publishing. We include with this submission separate letters from Harcourt Brace Jovanovich, Inc. senior publishing executives setting forth their individual concerns.

Not only will Harcourt Brace Jovanovich's ability to continue to publish a wide variety of high quality instructional materials be severely hampered, there would be a severe reduction in payments to authors and in payments of permission fees to others should state claims be upheld. Publishers cannot be expected to continue to publish subject to the threat of the imminent loss of remedy for infringement for basic rights by their principal customers. Injunctive relief, even if available, is a wholly inadequate remedy, offering as it does no possibility of recovering monetary damages while requiring publishers systematically to investigate and prosecute individually their principal customers.

Harcourt Brace Jovanovich, Inc., urges the Copyright Office to forcefully state its support for the full and appropriate liability of states and their agencies, the legal interpretation of the Constitution and the Copyright Act which have governed business practices for many decades. We commend the Copyright Office for conducting this inquiry. Should states' immunity be upheld in the courts on appeal, we would urge legislation to clarify the application of the 1976 Copyright Act to the states. Only through correct application can the balances struck in 1976 be maintained to foster a viable and vigorous publishing industry serving the needs of this nation's citizens and its educational system.

Thank you for the opportunity to present our views on this vitally important matter.

Sincerely,

A handwritten signature in dark ink, appearing to read "R. L. Dell", with a stylized flourish underneath.

Attachments: Exhibits A, B, & C  
Enclosures: 6 letters



STATE OF ALABAMA  
DEPARTMENT OF EDUCATION

TEXTBOOK CONTRACT

WHEREAS, the State Board of Education duly advertised for bids from publishers of textbooks to furnish certain textbooks for use in the public schools of the State of Alabama for a period beginning on date designated and extending as designated in Section 1 below; and

WHEREAS, pursuant to said advertisement, sealed bids were submitted by various publishers, and after giving due consideration to the report of the State Textbook Committee, the State Board of Education did on the 13th of December, 1984, accept the bid of the hereinafter named Publisher for the textbook or textbooks hereinafter designated:

NOW, THEREFORE, This contract made and entered into this 1st of July, 1985, between the State of Alabama, by and through the State Board of Education, hereinafter referred to as the Board and Harcourt Brace Jovanovich, Inc., of the City of Orlando, State of Florida, hereinafter referred to as the Publisher, for the period designated on Page 4.

WITNESSETH: That the Publisher for and in consideration of the adoption of certain of its textbooks or publications hereinafter named, at the prices and upon the conditions hereinafter stated, for use in the public schools of Alabama for the period beginning on date of contract and extending to June 30, 1991, designated below covenants and agrees with the Board as follows:

The Publisher stipulates that the author or authors of these books is not a member of the Communist Party or known advocate of Communism or Marxist Socialism, and is not a member of the Communist Party or of a Communist front organization.

1. The Publisher covenants and agrees to furnish for the period beginning after the date designated for this contract to begin and ending on June 30, 1991, the following textbooks and/or publications at the prices stated. The Publisher covenants and agrees that the price herein made for said textbooks and/or publications, which price includes all expenses and charges of shipping such textbooks and/or publications to the local county or city boards of education or their agents, after all discounts have been deducted, does not exceed the minimum price at which the Publisher sells such textbooks and/or publications in wholesale quantities f.o.b. the Publisher's publishing house, after all discounts have been deducted. Retail prices do not exceed an increase of 15% of the wholesale price. The Publisher further agrees that pupils enrolled in the public schools of the State of Alabama or any parent or guardian of any such pupil may purchase the textbooks and/or publications covered by this contract at the price herein contracted for by the State Board of Education, plus handling charges, such handling charges not to exceed 15% of the contract price paid by the State Board of Education.

COPY- RIGHT DATE	TITLE OF TEXTBOOK	Net Wholesale Price		Retail Price	
		Without Exchange	With Exchange	Without Exchange	With Exchange
1985	MATHEMATICS TODAY: YELLOW (Consumable), 1st Edition, Grades K-1 Practice Workbook	\$ 4.50 2.55	\$ ---- ----	\$ 5.18 2.93	\$ ---- ----
1985	MATHEMATICS TODAY: YELLOW (BIG BOOK), 1st Edition, Grades K-1	189.00	----	217.35	----
1985	MATHEMATICS TODAY: BLUE (Consumable), 1st Edition, Grade 1 Practice Workbook	6.75 2.97	---- ---	7.76 3.42	---- ----
	Tests, Standardized Format	3.90	----	4.49	----
	Tests, Free-Response Format	3.90	----	4.49	----
	Problem Solving Workbook	2.10	----	2.42	----
	Computer Workbook	1.65	----	1.90	----

(Listing continued on Page 1a)

COPY- RIGHT DATE	TITLE OF TEXTBOOK	Net Wholesale Price		Retail Price	
		Without Exchange	With Exchange	Without Exchange	With Exchange
1985	MATHEMATICS TODAY: RED (Consumable), 1st Edition, Grade 2	\$ 6.75	\$ ----	\$ 7.76	\$ ----
	Practice Workbook	2.97	----	3.42	----
	Tests, Standardized Format	3.90	----	4.49	----
	Tests, Free-Response Format	3.90	----	4.49	----
	Problem Solving Workbook	2.10	----	2.42	----
	Computer Workbook	1.65	----	1.90	----
1985	MATHEMATICS TODAY: GREEN, 1st Edition, Grade 3	10.95	10.73	12.59	12.34
	Practice Workbook	3.69	----	4.24	----
	Tests, Standardized Format	3.00	----	3.45	----
	Tests, Free-Response Format	3.00	----	3.45	----
	Problem Solving Workbook	2.70	----	3.11	----
	Computer Workbook	2.10	----	2.42	----
1985	MATHEMATICS TODAY: ORANGE, 1st Edition, Grade 4	11.10	10.88	12.77	12.51
	Practice Workbook	3.69	----	4.24	----
	Tests, Standardized Format	3.00	----	3.45	----
	Tests, Free-Response Format	3.00	----	3.45	----
	Problem Solving Workbook	2.70	----	3.11	----
	Computer Workbook	2.10	----	2.42	----
1985	MATHEMATICS TODAY: PURPLE, 1st Edition, Grade 5	11.10	10.88	12.77	12.51
	Practice Workbook	3.69	----	4.24	----
	Tests, Standardized Format	3.15	----	3.62	----
	Tests, Free-Response Format	3.15	----	3.62	----
	Problem Solving Workbook	2.70	----	3.11	----
	Computer Workbook	2.10	----	2.42	----
1985	MATHEMATICS TODAY: BROWN, 1st Edition, Grade 6	11.10	10.88	12.77	12.51
	Practice Workbook	3.69	----	4.24	----
	Tests, Standardized Format	3.15	----	3.62	----
	Tests, Free-Response Format	3.15	----	3.62	----
	Problem Solving Workbook	2.70	----	3.11	----
	Computer Workbook	2.10	----	2.42	----
1985	MATHEMATICS TODAY: SILVER, 1st Edition, Grade 7	12.60	12.35	14.49	14.20
	Practice Workbook	3.69	----	4.24	----
	Tests, Standardized Format	3.15	----	3.62	----
	Tests, Free-Response Format	3.15	----	3.62	----
	Problem Solving Workbook	3.15	----	3.62	----
	Computer Workbook	2.70	----	3.11	----
1985	MATHEMATICS TODAY: GOLD, 1st Edition, Grade 8	12.60	12.35	14.49	14.20
	Practice Workbook	3.69	----	4.24	----
	Tests, Standardized Format	3.15	----	3.62	----
	Tests, Free-Response Format	3.15	----	3.62	----
	Problem Solving Workbook	3.15	----	3.62	----
	Computer Workbook	2.70	----	3.11	----
1983	HBJ ALGEBRA 1, 4th Edition, Grades 9-12	13.20	12.94	15.18	14.88
	Skills Practice Book	3.00	----	3.45	----
1983	HBJ ALGEBRA 2 WITH TRIGONOMETRY, 4th Edition, Grades 10-12	13.80	13.52	15.87	15.55
1982	INTRODUCTORY ALGEBRA 1, 4th Edition, Grade 8	12.30	12.05	14.15	13.86
	Skills Practice Book 1	3.15	----	3.62	----
	Test Booklet	2.85	----	3.28	----

(Listing continued on page 1b)

COPY- RIGHT DATE	TITLE OF TEXTBOOK	Net Wholesale Price		Retail Price	
		Without Exchange	With Exchange	Without Exchange	With Exchange
1982	GENERAL MATHEMATICS: SKILLS/ PROBLEM SOLVING/APPLICATIONS, 1st Edition, Grades 9-12 Workbook Test Booklet	\$ 13.20 3.30 3.00	\$ 12.94 ---- ----	\$ 15.18 3.80 3.45	\$ 14.88 ---- ----
1983	ESSENTIALS OF MATHEMATICS: CONSUMER AND CAREER SKILLS AND APPLICATIONS, 1st Edition, Grades 9-12 Workbook Test Booklet	13.20 3.15 2.40	12.94 ---- ----	15.18 3.62 2.76	14.88 ---- ----
1984	HBJ GEOMETRY, 4th Edition, Grades 10- 12 Geometry Practice Book: Proof and Skills	13.50 ----	13.23 ----	15.53 ----	15.21 ----
1981	TRIGONOMETRY, 1st Edition, Grades 11-12	13.50	13.23	15.53	15.21
1984	HBJ ADVANCED MATHEMATICS: A PREPARATION FOR CALCULUS, 3rd Edition, Grade 12	15.45	15.14	17.77	17.41
1983	HBJ HEALTH: YELLOW (Consumable), 1st Edition, Grades K-1	2.70	----	3.11	----
1983	HBJ HEALTH: BLUE, 1st Edition, Grade 1	7.50	7.35	8.63	8.45
1983	HBJ HEALTH: RED, 1st Edition, Grade 2	7.80	7.64	8.97	8.79
1983	HBJ HEALTH: GREEN, 1st Edition, Grade 3 Tests (Booklet Form)	8.70 .90	8.53 ----	10.01 1.04	9.81 ----
1983	HBJ HEALTH: ORANGE, 1st Edition, Grade 4 Tests (Booklet Form)	9.00 .90	8.82 ----	10.35 1.04	10.14 ----
1983	HBJ HEALTH: PURPLE, 1st Edition, Grade 5 Tests (Booklet Form)	9.30 .90	9.11 ----	10.70 1.04	10.48 ----
1983	HBJ HEALTH: BROWN, 1st Edition, Grade 6 Tests (Booklet Form)	9.60 .90	9.41 ----	11.04 1.04	10.82 ----
1983	HBJ HEALTH: SILVER, 1st Edition, Grade 7 Tests (Booklet Form)	9.90 .90	9.70 ----	11.39 1.04	11.16 ----
1983	HBJ HEALTH: GOLD, 1st Edition, Grade 8 Tests (Booklet Form)	9.90 .90	9.70 ----	11.39 1.04	11.16 ----



The Publisher covenants and agrees to print on the inside back cover or on back of each textbook or publication delivered to the State except those purchased by the State or local Boards of Education, the retail contract price at which it is to be sold, and the following statement: THE PRICE FIXED HEREON IS FIXED BY STATE CONTRACT AND ANY DEVIATION THEREFROM SHOULD BE REPORTED TO THE STATE SUPERINTENDENT OF EDUCATION. The Publisher further covenants and agrees to furnish said textbooks or publications to local boards of education where purchased for free distribution at a price not in excess of the State Contract Price.

2. FORFEITURES:- For failure to supply the State with a sufficient number of textbooks or publications listed above to fill promptly all orders received from the State, County Boards of Education, City Boards of Education, and local Agents thereof, the Publisher agrees to pay to the State Board of Education of Alabama, the sum of One Hundred Dollars (\$100.00) per day of such failure provided that the forfeiture shall become effective at the expiration of thirty consecutive days after the date the purchase order is given or mailed to the Publisher, unless the purchase order designates a later date for delivery, at which time the forfeiture shall become effective. It is further understood and agreed between the parties that the State Board of Education may, at its discretion, relieve the Publisher of any forfeiture or liability for violation of this contract upon its part unless such forfeiture or violation results from the willful act of the Publisher. The Publisher agrees to replace defective or substandard books without cost to the purchaser.

3. QUALITY AND CONTENTS:- The Publisher further covenants and agrees that the textbooks or publications furnished under this contract shall equal or surpass in all respects the Official Minimum Manufacturing Standards and Specifications adopted by the Board and available for inspection by the Publisher if he so desires; provided, that any typographical errors which may be found in such textbooks or publications or errors of fact shall be corrected by the Publisher, but in no case shall any change be made that will result in any confusion in classes using the corrected copies and copies previously purchased. If at any time during the continuance of this contract the Publisher fails to maintain the standard of quality and excellence described above, this contract and the bond herein provided for shall be declared forfeited at the option of the Board.

4. LOWEST PRICE:- The Publisher further covenants and agrees that he is not furnishing under contract executed after January 1 of the year this contract becomes effective to any state, county or school district in the United States, the textbooks or publications embraced in this contract at a price f.o.b. the Publisher's publishing house below the price stipulated herein. The Publisher further covenants and agrees that if at any time during the period of this contract the textbooks or publications herein named shall be contracted for at a price f.o.b. at the Publisher's publishing house to any other state, county or school district in the United States lower than the price agreed upon in this contract, then that lower price shall become the contract price between the Board and the Publisher named herein. The Publisher further covenants and agrees that if, at any time during the period of this contract, any editions of the textbooks or publications herein named similar to the Official Copy on file in the office of the State Superintendent of Education shall be contracted for at a lower price f.o.b. at the Publisher's publishing house with any other state, county or school district in the United States, the Board may at its option substitute for the edition herein contracted for the said edition at said lower price.

If the State Board of Education shall find that any such book or books so contracted for are being sold at a lower contract price f.o.b. at the Publisher's publishing house in any other state than the price for which they are being sold in Alabama, the contract shall be forfeited. The Publisher further covenants and agrees that in the event of violation of this pricing agreement all money collected for such books shall be returned and also forfeit said book or books to the State, this being the agreed measure of damages stipulated to have been suffered by the State Board of Education. Suit may be brought in the name of the State on the bond of the Publisher for all losses sustained.

5. EXCHANGE PRICE:- The Publisher further covenants and agrees to supply each and all textbooks or publications embraced in this contract at the exchange price or prices herein named in those cases where there is offered in part payment a school book which is in use in the State of Alabama when so offered, and which is on the same subject, grade for grade, as the one for which it is taken in part payment; provided that the time in which old books may be exchanged for new books shall be for a period beginning on the date of this contract and ending June 30, 1991. It is further agreed between the parties hereto that the Publisher will accept textbooks for exchange on the most favorable exchange conditions prevailing in any State.

6. SPECIMEN COPIES:- It is further understood and agreed that the publisher will furnish the State Superintendent of Education and each county and city superintendent, where such book or books are locally adopted, with an official copy of each and every textbook included in this contract which shall meet in full the Official Minimum Manufacturing Standards and Specifications approved by the State Board of Education, except for specific exemptions approved by said Board at the time of adoption.

7. LEGAL PROVISIONS:- It is further understood and agreed between the parties hereto that this contract is made in pursuance of and with reference to Act 221, 1965 Legislature of Alabama and said Act is hereby made a part of this contract as fully and to the same extent as though incorporated in the body hereof. The Official Minimum Manufacturing Standards and Specifications and the Warranty by Publisher are by reference made a part of this contract as fully and to the same extent as though incorporated in full herein; that the State of Alabama shall not be liable to the said Publisher in any manner or in any sum whatsoever in consequence of the execution of this contract, but that the said Publisher shall rely solely, exclusively, and entirely for its pay and compensation upon and from the proceeds of the sale of the textbooks or publications embraced in this contract. In the event suit is brought by the State to enforce any term of this agreement or to collect any forfeiture provided herein, the Publisher agrees to pay a reasonable attorney's fee and all other reasonable expenses incurred by the State incident to each such suit.

8. RIGHT TO CHANGE LAW RESERVED BY STATE:- It is hereby understood and agreed between the parties hereto, and it is hereby made a condition of this contract and each and every part thereof that nothing in this contract shall be held or construed to limit, restrict or impair the right of the Legislature of the State of Alabama to make any change or changes, alterations, or amendments in the statutes under which this contract is made or awarded, anything in this contract to the contrary notwithstanding. In all respects this contract shall be deemed subordinate to the right of the Legislature of the State of Alabama to amend, modify or repeal any of the statutes relating to textbooks for the public schools, in which event the terms of the contract insofar as it may be in conflict with such future laws of the State of Alabama as may be enacted by the Legislature on the subject of school textbooks shall be deemed abrogated and of no effect. In the event any material change in said statute shall be made which shall be to disadvantage of the contracting parties hereto to continue this contract under said statutes as changed, either party hereto may rescind this contract by written notice of the intention to do so at any time within ninety days after the effective date of any such changed statute.

9. REQUIRED BOND:- The Publisher further covenants and agrees that at the time of the execution of this contract it will execute and deliver to the Board a bond in the sum of Two Thousand Dollars conditioned for the faithful, honest and exact performance of this contract, and that the same shall provide for the payment of a reasonable attorney's fee by the Publisher in case of recovery thereon in any suit upon the same, with a guaranty company authorized by law to do business in the State of Alabama as surety on the said bond, to be approved by the Board; and that said bond shall not be exhausted by a single recovery, but may be sued on from time to time until the full amount thereof shall be recovered. The Board may at any time during the continuance of this contract, by giving thirty days' notice, require the Publisher to give such additional security or additional bond for the faithful performance of this contract, or of the matters and things stipulated to be performed by the Publisher; and the Publisher agrees hereby to give such additional security or execute and deliver an additional bond on such notice by and from the Board. Should the Publisher fail or refuse to give such additional security or additional bond after thirty days' notice, this contract and the bond herein provided for may at the option of the Board be forfeited.

10. CANCELLATION OF CONTRACT:- It is further understood and agreed that the Board shall have the power to drop any textbook or publication named in this contract in whole or in part at the beginning of the third or fourth year by giving written notice to the Publisher at least ninety days in advance. It is further agreed that the Publisher shall have the right to terminate this contract in whole or in part at the beginning of the third or fourth year of the contract provided written notice has been given to the Secretary of the Board six months in advance.

IN WITNESS WHEREOF, The State Board of Education of Alabama has caused this contract to be signed in duplicate by its President and Secretary and the said Harcourt Brace Jovanovich, Inc. has caused its name to be hereto signed in duplicate by its Executive Vice President and its common seal is hereto and hereby fixed.

DATE CONTRACT IS TO BEGIN July 1, 1985

STATE BOARD OF EDUCATION

ATTEST

Alan Siegelman  
Date 9-4-85

By George C. Wallace  
President and Governor *SM*

Date 9-4-85

By Wayne Leagne  
Executive Officer and Secretary

Date 7-15-85

By HARCOURT BRACE JOVANOVICH, INC.  
Publisher

By\* Ralph Cantor  
Executive Vice President  
Title of Officer

Date March 18, 1985

\* Please attach certified copy of Power of Attorney

RESOLVED: That RALPH D. CAULO be and he is hereby elected an Executive Vice President of the Corporation, effective immediately.

Margaret Lucy DuVallan  
Secretary

Subscribed and sworn to before me this 36<sup>th</sup> day of March 1985

*Mary Giorgio*  
Notary Public  
MARY GIORGIO  
Notary Public, State of New York  
No. 52-1510045  
Qualified in Sullivan County  
Cert. Filed in New York County  
Commission Expires March 30, 1985

Certified Extract from the By-Laws of  
HARCOURT BRACE JOVANOVIICH, INC.

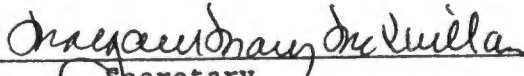
ARTICLE VII.

Execution of Contracts, Vouchers and Negotiable Instruments

2. Any instrument under seal of the corporation, except such instruments as by law or custom require different signatures, shall be signed by any two officers of the corporation provided, however, that either the chairman or the vice chairman or the president shall be one of the signing officers, unless they shall be absent, in which event the instrument shall be signed by any two of the other officers. Contracts under seal entered into outside of the United States may be signed by any one officer or by any one director of the corporation. Any contracts under seal for the products of the corporation, and any instruments to be executed in connection therewith, may be signed by any one officer or by any one director of the corporation or by any duly appointed attorney.

I, the undersigned, Secretary of Harcourt Brace Jovanovich, Inc. do hereby certify that the foregoing is a true and complete copy of an extract from the By-laws of the said Corporation, and the same is in force at the date hereof.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the said Corporation, this 26 day of March 1986.

  
Secretary

(seal)



AGREEMENT BETWEEN  
SAN DIEGO UNIFIED SCHOOL DISTRICT  
AND  
HARCOURT BRACE JOVANOVICH, INC.  
FOR THE  
ACQUISITION OF INSTRUCTIONAL MATERIALS  
FOR HEALTH EDUCATION, GRADES K-8

EXHIBIT B

This AGREEMENT is made and entered into by and between the SAN DIEGO UNIFIED SCHOOL DISTRICT, of San Diego County, 4100 Normal Street, San Diego, CA 92103, a public school district in the State of California (hereinafter referred to as "DISTRICT") and HARCOURT BRACE JOVANOVICH, INC., 3800 Lakeville Highway, Petaluma, CA 94952, (hereinafter referred to as "PUBLISHER").

RECITALS

WHEREAS, the Board of Education of the San Diego Unified School District (DISTRICT) is authorized pursuant to Education Code Sections 51040, et seq., and 60003, et seq., to establish prescribed courses of instruction and to choose instructional materials which are appropriate to such courses of instruction; and

WHEREAS, the Board of Education has established a course of instruction in Health Education for grades kindergarten through eight for implementation in the 1986-1987 school year; and

WHEREAS, HARCOURT BRACE JOVANOVICH, INC. (PUBLISHER) is competent and able to provide DISTRICT with those instructional materials best suited to DISTRICT's course of instruction in Health Education for grades kindergarten through eight; and

WHEREAS, PUBLISHER warrants that on the date of execution of this contract all materials in the HBJ Health Program, Grades K-8, copyright 1983, are complete and are available for immediate delivery to DISTRICT;

NOW, THEREFORE, in consideration of the promises and mutual covenants and agreements contained herein, it is agreed between the parties as follows:

#### VIII. REPRODUCTION AND TRANSLATION RIGHTS

- A. Upon written request, PUBLISHER grants DISTRICT, for the term of this AGREEMENT, the right to reproduce selected portions of the content of all materials contained in the HBJ Health Program, Grades K-8, as described in Section II.A.1., Teacher Resource Packages as described in Section II.A.2., and Health Decisions for Growth Sound Filmstrips as described in Section II.A.3., acquired by DISTRICT pursuant to this AGREEMENT. Such reproductions are for classroom and staff development use within DISTRICT only, and DISTRICT agrees that copies will not be distributed, sold, or otherwise disseminated for use outside DISTRICT.
- B. PUBLISHER grants DISTRICT the right to translate all copyrighted material contained in the HBJ Health Program, Grades K-8, Teacher Resource Packages and Health Decisions for Growth Sound Filmstrips in such languages as may be required by DISTRICT for classroom instruction and staff development use.
- C. PUBLISHER shall own the copyrights to any DISTRICT translations of materials in the HBJ Health Program, Grades K-8.
- D. Proper copyright credits to PUBLISHER will be included on all copies of materials produced by DISTRICT.
- E. PUBLISHER shall not use or sell the translations without the permission of DISTRICT or without a licensing Agreement.
- F. Persons hired by DISTRICT to translate components of HBJ Health Program, Grades K-8, into other languages shall sign release agreements acknowledging that PUBLISHER owns the copyright to such translations as work made for hire. Such signed agreements shall be submitted to PUBLISHER.

**§81.177 Bilingual Education Textbook Adoptions.**  
**Statutory Citation**

- "(d) The State Board of Education shall solicit bids for and shall purchase otherwise acquire textbooks and supporting media to be used free of charge by students in bilingual education classes in public schools. Textbooks shall be acquired as provided by Subchapter B of this chapter and by any applicable rule adopted by the State Board of Education."

**Rule**

Textbooks recommended as suitable for use in bilingual education programs shall be adopted in accordance with the rules in this subchapter for regular textbook adoption.

**§81.178 Textbooks for Special Education Classes.**

Textbooks shall be supplied to pupils in special education classes with regard to level of the pupil's ability and without regard to the grade for which a book is adopted or the grade in which the pupil is enrolled.

**§81.179 Reproduction of Textbooks on Audiotape.**  
**Statutory Citation**

Texas Education Code, §12.01:

- "(a) Textbooks adopted by the State Board of Education for use in the public schools of Texas shall be furnished, under the plan as set out in this chapter, without cost to the pupils attending such schools.
- "(b) The adoption, purchase, distribution, and free use of such state-owned textbooks shall be carried out in accordance with the provisions of this chapter.
- "(c) Except as otherwise specifically defined in this chapter, "textbooks" or "books" as used herein shall mean books, systems of instructional materials, or combinations of books and supplementary instructional materials which convey information to the pupil or otherwise contribute to the learning process.
- "(d) No provision of this chapter is intended to limit the selection of instructional materials purchased by a local board of education with local funds, provided such selection procedures are not in conflict with State Board of Education policies."

**Rule**

- (a) Publishers shall grant permission to the state to have textbooks reproduced on audiotape without penalty or royalty. Textbooks or

Title 19, Part II  
Texas Administrative  
Code and Statutory  
Citations

portions of textbooks reproduced on audiotapes under the provisions of this section shall be used to provide an alternative instructional medium for students.

- (b) Each local education agency shall have the authority to have reproduced on audiotape a textbook or portion of a textbook which is under current adoption and use by the local district.
- (c) Textbooks or portions of textbooks reproduced on audiotapes under the provisions of this section may not be made available for sale by the local education agency.



**HARCOURT BRACE JOVANOVIICH, INC.**

1250 SIXTH AVENUE, SAN DIEGO, CALIFORNIA 92101 TELEPHONE: 619-699-6263 TELEX: 181726

PETER JOVANOVIICH  
Executive Vice President

Chairman and Chief Executive Officer  
WILLIAM JOVANOVIICH

Office of the President  
PETER JOVANOVIICH  
J. WILLIAM BRANDNER  
RALPH D. CAULO  
JACK O. SNYDER

January 18, 1988

Dorothy M. Schrader, Esq.  
General Counsel  
Copyright Office  
Library of Congress  
Washington, D.C. 20540

Dear Ms. Schrader:

If the states are allowed to claim sovereign immunity from copyright liability, this will cause publishers and authors great harm. Among the consequences will be:

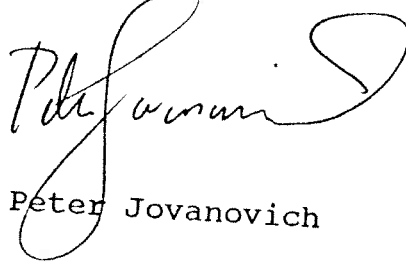
1. Wholesale copying by state university libraries of scientific journals and books.
2. The establishment of textbook copying mills by which literature anthologies can be created without paying permissions to authors and publishers.
3. The creation of "cut and paste" textbooks in which selections from different textbooks are put together to make up one textbook, thereby damaging author's and publishers' rights to present their works in the manner they see fit.

All three of these activities have been found by the courts to violate the U.S. copyright law. Granting states immunity from copyright will destroy what are now good working relationships among authors, publishers, libraries, and universities. These relationships serve

Dorothy M. Schrader, Esq.  
January 18, 1988  
Page Two

the interests of all parties "to promote the progress of science and useful arts" and thereby the cause of education. After reaching a practical compromise in the Act of 1976, all parties should urge the Copyright Office to defend the Act and to reaffirm its application to the states.

Sincerely,

A handwritten signature in cursive script, appearing to read "Peter Jovanovich". The signature is fluid and stylized, with a large loop at the end.

Peter Jovanovich

PJ/vrk



THE PSYCHOLOGICAL CORPORATION  
555 ACADEMIC COURT, SAN ANTONIO, TEXAS 78204-0952 512-270-0350

THOMAS A. WILLIAMSON  
PRESIDENT

January 26, 1988

Dorothy M. Schrader, Esq.  
General Counsel  
Copyright Office  
Library of Congress  
Washington, D.C. 20559

Dear Ms. Schrader:

My colleagues and I in the test publishing industry are extremely concerned about the issue of states claiming sovereign immunity from copyright liability. Since revenue from state supported institutions represents over 80% of this \$500,000,000 industry, the very existence of our business is at stake.

State immunity from copyright liability could result in wholesale copying by school systems of achievement and school ability tests, vocational and career guidance instruments, and tests for exceptional children. We are particularly concerned that the copying of tests designed to identify children with special needs would destroy the economic viability of this specialized market. Therefore, existing tests would be put out-of-print, and research and development in new instruments would not occur. Such tests identify problems in physical and intellectual development, speech and hearing, language skills, learning development, and behavior and adjustment.

Granting states immunity from copyright law would not only destroy our nation's test publishing industry, it would deprive millions of children from receiving help with their educational, physical, and emotional problems. We urge the Copyright Office to uphold and defend the Copyright Act, especially as it applies to the states.

Most cordially,

*Thomas A. Williamson*

Thomas A. Williamson

TAW:lcm



ACADEMIC PRESS, INC.

Harcourt Brace Jovanovich, Inc.

1250 Sixth Avenue, San Diego, California 92101

TELEPHONE: (619) 231-0926

January 26, 1988

Office of the General Counsel  
Copyright Office  
Library of Congress  
Department 100  
Washington, D.C. 20559

Dear Ms. Schrader:

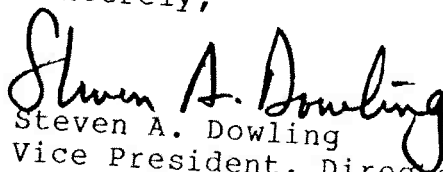
If states are allowed to escape copyright law through a misdirected reading of the 1976 Copyright Act, it will cause grievous harm to the dissemination of scholarly research published in journals and scholarly books and the filtering of this research into college textbooks. Academic Press is one of the largest publishers of scientific journals and books in the United States. Fifty percent of our business is with state institutions, primarily libraries. Allowing states immunity from copyright would lead to an undermining of our ability to support the publication and dissemination (worldwide) of the best research.

The basis of scientific journal and book publishing is peer review of research results which when accepted by fellow scientists appears in print. It is a controlled, measured process that insures that the best work gets published. Ideas are protected and rewarded by tradition and law. To open a door to uncontrolled copying of this material would threaten the system and financial support that causes it to exist. The open door -- uncontrolled copying by state institutions -- will harm the system that now works to the benefit of research and science.

I call on you to defend copyright from the inroads of state governments in this current aberrant situation and to support closing the door to uncontrolled copying without compensation.

SAD/rh

Sincerely,

  
Steven A. Dowling  
Vice President, Director





**Harcourt Brace Jovanovich, Inc.**  
1250 SIXTH AVENUE, SAN DIEGO, CA 92101

**BILL M. BARNETT**, VICE PRESIDENT  
DIRECTOR, COLLEGE DEPARTMENT  
(619) 699-6217

January 22, 1988

Office of the General Counsel  
Copyright Office  
Library of Congress  
Department 100  
Washington, D.C. 20559

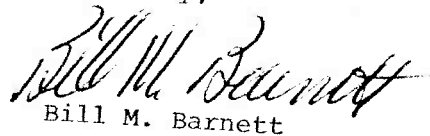
Dear Ms. Schrader:

To allow states -- and therefore state universities, state colleges, state community colleges, state vocational schools -- immunity from the copyright law would have disastrous effects on the publication of college textbooks in the United States. This college department, for instance, realizes 70% of its revenues from sales to state institutions. Those revenues would be seriously eroded were educational institutions allowed unlicensed copying of the books we and other college publishers produce. We would simply be unable to continue publishing books with the most current scholarship, with the most useful pedagogical features, and with the numerous teaching ancillaries that we now provide. We might very well be unable finally to publish at all.

College publishers are scrupulous in paying permission fees to authors of material we reprint in books that we publish. In 1987, this department paid a total of \$280,000 in such permission fees. It is apparent that we could not hope to recover the costs of these fees if the books for which the fees were paid could be freely copied in whole or in part by those institutions whom we rely on to use them. And there is a real question of how authors would be paid for the use of their work if publishers did not see to it that permission fees were collected. It is likely that institutions might be encouraged to copy an unlimited number of poems, short stories, plays, articles, parts of books for use in classes without paying any fees to authors at all, there being no ready and sure way for them to make such payments.

It is not far-fetched to propose that allowing state institutions of education freedom from copyright restrictions would ultimately harm education itself by denying students one of the best means by which to learn -- the textbook.

Sincerely,

  
Bill M. Barnett

BMB/cjb



# ACADEMIC PRESS, INC.

(HARCOURT BRACE JOVANOVICH, PUBLISHERS)

111 Fifth Avenue, New York, New York 10003

TELEPHONE: 212-614-3000 CABLE: HARBRACE TELEX: 127891

January 27, 1988

Office of the General Counsel  
Copyright Office  
Library of Congress  
Department 100  
Washington, D.C. 20559

Re: Exemption from copyright claimed by states

Dear Sirs:

In 1988, Academic Press will publish 93 scholarly journals comprising 764 issues and 140,000 pages. Each of these journals is supported primarily by institutional subscribers, that is, university and research libraries. Because of the specialized nature of these journals, the number of institutional subscribers is not large: average 900 for 1988.

Over the past two decades, the average number of institutional subscribers has continually declined as library budgets--particularly state university library budgets--have become ever more constrained. Declining subscriptions result in increasing costs and therefore prices.

One way out of this cycle for large state university systems is to reduce holdings of periodicals. Thus, instead of having a subscription to a particular journal at each of several campuses, a university system may retain only one subscription at one campus and service other campuses through photocopying.

Were states freed of any obligation to respect copyright, these photocopying practices would expand and could be devastating to the distribution of scholarly research. If the United States cannot regulate the several states in this matter, it certainly cannot hope for conformity in the rest of the world. Thus, we are faced with the possibility of drastic reductions in the number of subscribers to our journals throughout the world.

Sincerely,

ACADEMIC PRESS, INC.

*David Swanson*

David Swanson  
Vice President, Editorial Director

DS/bc



**HOLT, RINEHART AND WINSTON, INC.**

1627 WOODLAND AVENUE, AUSTIN, TEXAS 78741 (512) 440-5700

BOB BLEVINS  
PRESIDENT  
SCHOOL DIVISION

January 28, 1988

Office of the General Counsel  
Copyright Office  
Library of Congress  
Department 100  
Washington, D.C. 20559

Dear Sirs:

Holt, Rinehart and Winston ranks as one of the five largest school textbook publishers in the United States. We are entirely opposed to any extension of sovereign immunity to liability of the states for money damages for unauthorized use of copyrighted works. The impact of such a change in the law on our company and the school textbook industry as a whole would be great. School textbook sales in the U.S. now total more than \$1.5 billion per year with approximately 89% of these sales made to states, public school districts, and public schools throughout the country. Not only would these sales be substantially reduced, but such reductions would inevitably produce price increases for other users, such as private and church schools, who would presumably still be bound by the Copyright Law.

The purpose of the Copyright Law is to encourage the creation of products such as school textbooks and ancillaries (workbooks, testbooks, etc.) for the common good by providing protection to authors and publishers against unauthorized copying. Removing this protection for the major segment of our market would be catastrophic since it would eliminate the financial incentive for us to produce these books and ancillaries. School textbook publishing would be unprofitable without the protections provided by the Copyright Law and the application of this law to all segments of the market.

Office of the General Counsel  
Copyright Office  
Page 2  
January 28, 1988

We are particularly concerned about the possible loss of protection against unauthorized copying of ancillary materials since they are particularly conducive to such copying. Estimates indicate that approximately one-third of industry revenue is from sales of ancillary products. Therefore, the potential lost revenue in this area alone is as much as half a billion dollars per year.

We urge the Copyright Office to support the protection for authors and publishers that is provided by the Copyright Law by rejecting the concept of state immunity for copyright infringement.

Yours sincerely,

  
Bob W. Blevins



Broadcast Music, Inc.

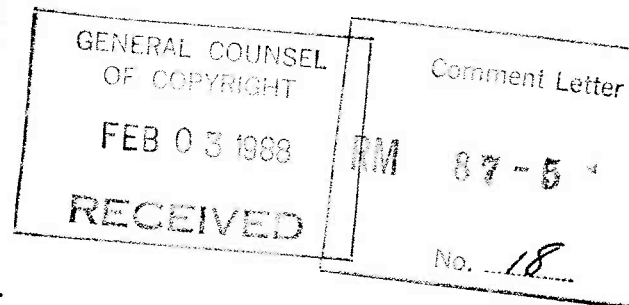
320 West 57th Street, New York, NY 10019 212 586

Cable Address: Brocastn  
Telecopier No.: 212-48

EDWARD W. CHAPIN  
VICE PRESIDENT, SECRETARY  
GENERAL COUNSEL

January 29, 1988

Office of the General Counsel  
Copyright Office  
Library of Congress  
Department 100  
Washington, DC 20559



Attention: Dorothy Schrader, Esq.

Re: Practical Problems faced by Copyright  
Proprietors who attempt to enforce their  
claims of copyright infringement against  
State Government infringers

Dear Ms. Schrader:

This is written in response to your Request for  
Information issued November 2, 1987 concerning the above  
captioned subject. Docket No. RI 87-5, 52 Federal Register  
42045.

Practical problems are encountered at virtually all  
stages of the enforcement process. The first of these problems  
arises when answering the threshold question of whether eleventh  
amendment immunity applies to a given state entity. While the  
case law appears to be settled with respect to "political  
subdivisions", it is much less so with respect to entities  
categorized as "states" or "arms of the state". See, e.g., Lake  
Country Estates, Inc. v. Tahoe Regional Planning Agency, 400 U.S.  
391 (1979). Consequently, properly categorizing the entity is  
important to predicting the success of a damage suit. Practical  
problems are raised concerning "properly" categorizing the  
entity. The U.S. Supreme Court has provided a set of seven  
criteria by which attempts to categorize an entity are guided.  
Id. and Mount Healthy School District v. Doyle, 429 U.S. 274  
(1977). By virtue of their number, and in some instances their  
subjectivity, these criteria raise more practical problems than  
they resolve. For example, a plaintiff must become fully  
familiar with the financial arrangements between the entity and  
the state, the revenue raising authority of the entity, and the  
legislatively defined character of the entity before the criteria  
can be effectively applied. Each of these requirements and  
others raise problems of interpretation and impose additional  
costs on the plaintiff.

S E R V I N G M U S I C S I N C E 1 9 4 0

January 29, 1988

Additional problems arise after a suit is commenced. For example, the complaining party may, at anytime, by virtually any state created entity, be challenged to prove that the eleventh amendment does not apply. Even in suits against municipalities and counties, which for almost one hundred years the courts have considered outside the scope of the eleventh amendment, such challenges arise. As recently as June of 1987, BMI dismissed an infringement action against a county college rather than incur the added burden and expense of contesting the defendant's claim of eleventh amendment immunity. Indeed, it is reasonable to expect that eleventh amendment immunity will be raised as a defense to copyright suits with growing frequency given the current state of the law.

It is little consolation to know that as a matter of fact, state universities, agencies and commissions have regularly executed license agreements in the past. The current trend of court decisions which have found "states" and "arms of the state" immune from damage suits for copyright infringement provides considerable incentive to state entities that choose for whatever reason to delay execution of a license or to refuse to execute a license. These possibilities suggest yet additional practical problems. For example, it is expected that more time and expense will have to be expended to persuade state entities of the necessity of executing a license. It follows that additional infringement suits will have to be commenced. Both these eventualities will raise the cost of enforcing rights under the Copyright Act.

Also, because of the recent cases under the eleventh amendment, BMI has experienced increasing difficulty in attempting to license promoters of musical attractions in government owned stadiums, arenas, etc. When a promoter sees the governmental entity taking a position that there is no liability to the governmental entity, the promoter becomes less inclined to voluntarily and readily accept his copyright obligations. And, of course, it is often difficult to locate the promoter after the musical attraction has taken place.

BMI has participated in the preparation and filing of amicus briefs in the cases of Richard Anderson Photography, Inc. v. Radford University, 633 F. Supp. 1154 (W.D. VA. 1986), appeal docketed, No. 87-1610 (4th Cir. 1987), BV Engineering v. UCLA, No. 86-4708, slip. op. (C.D. Cal. April 17, 1987), appeal docketed, No. 87-5920 (9th Cir. 1987), Mihalek Corp. v. Michigan, 595 F. Supp. 903 (E.D. Mich. 1984), aff'd on other grounds, 814 F.2d 290 (6th Cir. 1987), cert. denied, Docket No. 87-674 (December 14, 1987). These briefs provide detailed support for

Office of the General Counsel, Cont'd.  
Page 3

January 29, 1988

BMI's contention that congress abrogated the eleventh amendment when it passed the Copyright Act of 1976. I have not enclosed copies of these briefs, but would be happy to forward copies to you, should you so desire.

Should you have any questions or should you require additional information, please do not hesitate to contact me.

Very truly yours,

*Edward W. Chapin*

EWC:fh

**OPPERMAN & PAQUIN**  
ATTORNEYS AT LAW  
2200 WASHINGTON SQUARE  
100 WASHINGTON AVENUE SOUTH  
**MINNEAPOLIS, MINNESOTA 55401**  
TELEPHONE (612) 339-6900  
TELECOPIER (612) 339-0981

VANCE K. OPFERMAN  
ROBERT J. SCHMIT  
JOSEPH R. KERNAN, JR.  
JAMES E. SCHATZ  
JEROME F. PAQUIN  
RICHARD A. LOCKRIDGE  
AUDREY L. ESTEBO  
CHARLES N. NAUEN  
H. THEODORE GRINDAL  
LINDA L. HOLSTEIN  
RICHARD H. PLUNKETT  
DIANE M. HELLAND  
ALISON ECKSTEIN COLT  
W. JOSEPH BRUCKNER  
BRADLEY W. ANDERSON  
ANDREA J. KAUFMAN  
KEVIN M. CHANDLER  
PATRICIA A. BLOODGOOD  
BARBARA J. GRAHN  
PHILIP R. SHERWOOD  
ANNE L. SCHLUETER  
RAYMOND OECHSLER

Office of the General Counsel  
Copyright Office  
Room 407  
James Madison Memorial Building  
First Street and Independence Ave.  
Washington, D.C. 20540

January 27, 1988

GENERAL COUNSEL  
OF COPYRIGHT

FEB 03 1988  
S.E.

RECEIVED

Comment Letter

RM 87-5

No. 19

Dear Ms. Schrader:

We represent West Publishing Company. West has asked us to submit comments on its behalf in response to your November 2, 1987 Request for Comments regarding the Eleventh Amendment and presumably the recent decisions holding that States are immune from copyright infringement damages thereunder. While West hopes and assumes that such decisions will be reversed on appeal, it applauds the Copyright Office's initiative in beginning to collect information in case remedial legislation is required.

Before getting to West's specific comments, let me just note that West is a member of the Information Industry Association and, as such, has reviewed a draft of the comments that the IIA intends to submit. West agrees with such comments and also with the legal positions taken by the IIA and the American Association of Publishers (of which West is also a member) in amicus curiae briefs filed in the Virginia and California actions involving this Eleventh Amendment issue. We assume that you have been or will be provided with copies of such briefs.

As you know, West publishes a number of different types of legal publications including case reports, digests, encyclopedias, treatises and annotated statutes. West also provides the WESTLAW computer-assisted legal research service and is a major publisher of college and elementary/high school textbooks and related material including software. West sells or licenses all of these copyrighted products and services to State governmental bodies including agencies, schools, universities, libraries, courts, etc. Many such sales and licenses are to more than one governmental body within a particular State and often are for multiple copies or service provisions. The revenues from such sales and licenses make up a substantial portion of West's total revenues and also provide a major portion of the royalties and other compensation that West pays to the authors or providers of the material included in its publications and services.

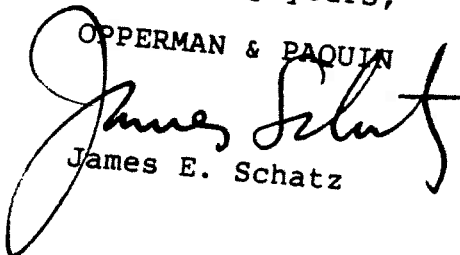


If States are not liable for copyright infringement damages, copyright infringement by states will likely increase dramatically with the result of substantially decreasing West's revenues, particularly from the sale of multiple copies of, and subscriptions to, its legal publications, WESTLAW and educational publications (especially software). West's business will obviously be injured and its payments of royalties and other compensation to authors and information providers will be substantially reduced. The latter, in conjunction with similar reductions in royalties and other compensation paid by other publishers and online database vendors, will undoubtedly result in fewer works being created and thus a loss to society in terms of the reduction in legal and educational ideas and materials developed and made available.<sup>1</sup> West does not believe that the availability of injunctive relief alone will be an adequate remedy for the greatly increased copyright infringement that is likely to occur. Moreover, many copyright owners will not be able to afford -- or be willing to fund -- the costs of copyright infringement actions without the possibility of damage recoveries.

In summary, if appellate courts do not reverse the recent holdings that States are immune from damages for copyright infringement, legislation will be necessary to clarify the full protection of copyrighted property for those who rely on such protection as the basis of their business and income and to insure the continued creation and publication of copyrighted works. West appreciates the opportunity to comment on this extremely important issue.

Very truly yours,

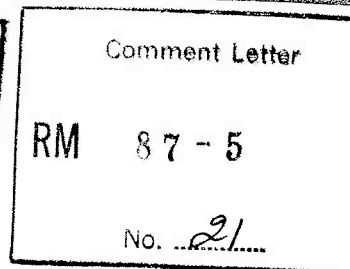
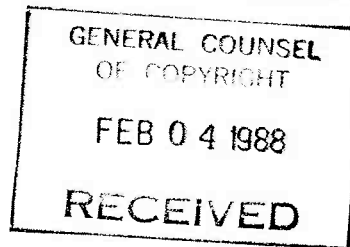
OPPERMAN & PAQUIN

  
James E. Schatz

JES/cb

---

<sup>1</sup> In addition, to the extent that State educational institutions save money and are thus able to reduce their charges as a result of savings in obtaining and using copyrighted material, private educational institutions (which are extremely important to this country, but won't have immunity from copyright infringement damages) will suffer in comparison.



January 28, 1988

Dorothy Schrader, Esq.  
General Counsel  
Copyright Office  
Library of Congress, Dept. 100  
Washington, D.C. 20559

Request for Information - Eleventh Amendment  
(52 Fed. Reg. 42045; Nov. 2, 1987)

Dear Ms. Schrader:

We write on behalf of The National Music Publishers' Association, Inc., The Music Publishers' Association of the United States, Inc. and The Songwriters Guild of America. We are pleased to enclose our comments in response to the request for information on the issue of states' Eleventh Amendment immunity from suit for money damages in copyright infringement cases. Submitted with our comments is an appendix containing two briefs filed by these organizations in the Fourth and Ninth Circuits regarding this issue.

We look forward to working with the Copyright Office on this matter.

Respectfully submitted,

NATIONAL MUSIC PUBLISHERS'  
ASSOCIATION, INC.

By Steven B. Rosenfeld  
Steven B. Rosenfeld, Esq.  
PAUL, WEISS, RIFKIND, WHARTON  
& GARRISON  
1285 Avenue of the Americas  
New York, New York 10019  
(212) 373-3000

Dorothy Schrader, Esq.

2

THE MUSIC PUBLISHERS'  
ASSOCIATION OF THE UNITED  
STATES, INC.

By Howard L. Wattenberg  
Howard L. Wattenberg, Esq.  
Marshall Morris Glinert  
Powell Wattenberg & Perlstein  
130 West 57th Street  
New York, New York 10019  
(212) 582-1122

THE SONGWRITERS GUILD OF  
AMERICA

By Lewis M. Bachman  
Lewis M. Bachman  
The Songwriters Guild of  
America  
276 Fifth Avenue, Room 316  
New York, New York 10001  
(212) 686-6820

---

COMMENTS OF  
NATIONAL MUSIC PUBLISHERS' ASSOCIATION, INC.  
MUSIC PUBLISHERS' ASSOCIATION OF THE UNITED STATES, INC.  
THE SONGWRITERS GUILD OF AMERICA

BEFORE THE  
COPYRIGHT OFFICE OF THE  
LIBRARY OF CONGRESS

DOCKET NO. RI 87-5

RE: STATES' ELEVENTH AMENDMENT IMMUNITY  
FROM DAMAGE SUITS FOR COPYRIGHT INFRINGEMENT

February 1, 1988

---

### INTRODUCTION

The National Music Publishers' Association, Inc. ("NMPA"), The Music Publishers' Association of the United States, Inc. ("MPA") and The Songwriters Guild of America ("SGA"), respectfully submit the following comments in response to the Copyright Office's Request for Information regarding the issue of states' Eleventh Amendment immunity from suit for money damages in copyright infringement cases. 52 Fed. Reg. 42045 (November 2, 1987).

NMPA is the leading popular music publishers' trade association, representing approximately 300 music publisher members throughout the United States. MPA is a nonprofit corporation representing the interests of its approximately 60 members who publish all types of music, including popular music, church and sacred music, and concert and educational music. SGA is a national association of approximately 4,000 songwriters. Its primary functions are to promote the interests of authors and composers in their dealings with those who market and use their creative works, and in legislative matters. Each of these organizations -- NMPA, MPA and SGA -- represent the interests of thousands of copyright proprietors in the music industry, each of whose livelihood fundamentally depends on effective enforcement of the copyright law. That includes the ability to obtain payment of royalties for use of their music and to sue for damages

against those -- including state government entities -- who make such use without payment. These organizations have filed amicus curiae briefs in the Fourth and Ninth Circuits on the issue of states' Eleventh Amendment immunity from suits for copyright infringement.<sup>1/</sup> In addition, NMPA and MPA have filed an amicus brief on this issue in the Sixth Circuit.<sup>2/</sup>

This submission is made by NMPA, MPA and SGA following review of the comments of the American Society of Composers, Authors and Publishers ("ASCAP") and Broadcast Music, Inc. ("BMI") in response to the Copyright Office's request. NMPA, MPA, SGA, ASCAP and BMI share a common interest in enforcing the rights of copyright proprietors in the music industry. ASCAP's and BMI's submissions present certain factual information sought by the Copyright Office with respect to practical difficulties encountered by music copyright owners by virtue of the assertion of Eleventh Amendment immunity by state government entities in copyright

---

<sup>1/</sup> BV Eng'g v. University of California, 657 F. Supp. 1246 (C.D. Cal. 1986) (appeal pending); Richard Anderson Photography, Inc. v. Radford University, 633 F. Supp. 1154 (W.D. Va. 1986) (appeal pending). A copy of these briefs is submitted herewith as an appendix.

<sup>2/</sup> Mihalek Corp. v. Michigan, 559 F. Supp. 903 (E.D. Mich. 1984), aff'd on other grounds, 814 F.2d 290 (6th Cir.), cert. denied, 56 U.S.L.W. 3414 (1987).

cases. Thus, our comments here focus principally upon the legal interpretation of Eleventh Amendment immunity in copyright infringement cases. As we note below -- and as we have urged in the several amicus briefs we have filed -- the Eleventh Amendment defense ought not to prevail under current law. In the event, however, that our position does not prevail in the courts, we would propose an amendment to the 1976 Copyright Act, discussed in the last section of these comments, which would reiterate the intent of Congress that copyright proprietors should be able to enforce all of the same rights under the Copyright Act against the states as are available against all other users of copyrighted materials.

#### I.

##### PRACTICAL PROBLEMS OF ENFORCEMENT

As noted, the comments filed by ASCAP and BMI present the basic factual material concerning the practical problems encountered by music copyright proprietors in enforcing the copyright laws against state government infringers in the face of Eleventh Amendment defenses. Nevertheless, we begin these comments by reviewing those problems, in order to set the legal issues in their proper framework. The fifty states and their hundreds of agencies and instrumentalities are increasingly significant users of intellectual property protected by copyrights and patents. States and

their agencies utilize, exhibit, perform and copy these protected works thousands of times every day. In school and college music classes, bands and glee clubs, on college and public radio stations and at school proms, copyrighted music is repeatedly studied, performed, and played; copyrighted motion pictures are exhibited on state college campuses and in state prisons; the latest scientific technology and electronic know-how are utilized by state instrumentalities in great profusion. As set forth more particularly in ASCAP's submission, these kinds of campus performances are conducted under three kinds of licensing agreements which are held by approximately 870 state universities around the country. Moreover, as ASCAP points out, it licenses over 181 noncommercial educational television stations, and countless radio stations, run by the states or state schools.

Given this widespread use and access to copyrighted work, there are bound to be instances of unauthorized use of such works by state entities. We cite just a few examples here. After music publishers Oxford University Press, Theodore Presser Co. and Novello & Co., Ltd. obtained evidence that Longwood College, an instrumentality of the Commonwealth of Virginia, had photocopied a number of musical compositions without authorization, these music publishers commenced an action against the college and the Chairman of its music department for willful copyright infringement.



Pursuant to a settlement agreement between the defendants and plaintiff music publishers dated October 7, 1981, the defendants acknowledged innocent infringement and paid the music publishers' damages as well as attorneys' fees and agreed to refrain from any such further photocopying. In addition, Virginia's Attorney General issued an advisory bulletin cautioning Virginia schools against unauthorized photocopying of copyrighted works that does not fall within the "fair use" exceptions of the Copyright Act.

In another settlement dated June 12, 1984, several music publishing members of NMPA resolved allegations of copyright infringement of printed musical works by the University of Texas at Austin. The NMPA had alleged that the University's department of music had been systematically infringing the music publishers' copyrights by making numerous unauthorized photocopies of their musical works and distributing such copies. The University, as part of the settlement, implemented additional policies and procedures to prevent unauthorized copying by all faculty and staff. In addition, the University distributed a policy statement concerning unauthorized photocopying of copyrighted works. Furthermore, the University agreed to prominently display posters at all duplicating facility locations advising of the penalties for unauthorized photocopying.

In neither of these cases, or in others like them, did the state university resist royalty payments on Eleventh Amendment grounds. But that was before the string of recent district court opinions denying copyright holders the crucial damage remedy against the states. As those cases show, state universities and other state entities are now increasingly raising the Eleventh Amendment defense, making settlements such as those described above impossible. Should the legal position upheld in these cases prevail, music copyright owners would have had no damage claim against the unauthorized copying by the state entities described above. State-run schools could run off thousands of copies of sheet music without paying royalties; school bands could buy one copy of a hit song, copy it and perform it at public events; glee clubs could do the same, as could school orchestras. Without the possibility of obtaining damages for wrongful copying, copyright proprietors would have much less chance to reach the kind of settlements with state instrumentalities achieved in the cases noted above or to see their damage claims vindicated if settlement were not possible.

In several of the recent cases, it has been argued that injunctive relief against state officials provides ample protection from possible infractions, so that damage suits

and settlements are not necessary.<sup>3/</sup> However, injunctive "relief" is illusory in these circumstances. It is well established that "[t]he sole function of an action for injunction is to forestall future violations," United States v. Oregon State Medical Society, et al., 343 U.S. 326, 333 (1952) (emphasis added), but that is of no help to compensate copyright owners where the most severe damage has already occurred.

Eliminating damage suits against the states would be especially devastating to the economic livelihood of members of NMPA, MPA and SGA. It is no secret that much of today's popular music has a very limited life-span. By the time a copyright owner has discovered that a state agency copied or performed or otherwise had used a current hit song -- and by the time an injunction could be obtained, the

---

<sup>3/</sup> Indeed in one recent case, Cardinal Industries, Inc. v. Anderson Parrish Assoc., No. 83-1038, Slip Op. (M.D. Fla. Sept. 6, 1985), aff'd without opinion, 811 F.2d 609 (11th Cir.), cert. denied, 108 S. Ct. 88 (1987), the district court went so far as to hold that injunctive relief sought against individual state officials was actually against the state and barred even that remedy on Eleventh Amendment grounds. This decision is clearly contrary to the weight of authority that the Eleventh Amendment does not bar injunctive relief against state officers. See Pennhurst State School & Hosp. v. Halderman, 465 U.S. 89, 105 (1984). The summary order affirmance of the district court's decision should not be viewed as persuasive authority as to the correctness of its holding.

chances are great that the song will no longer be a "hit" and an injunction against future use will be of little value. Meanwhile, under the recent district court decisions, the state's use of the popular music would be royalty-free, and it may not be sued for the income the music has earned or the losses sustained by the uncompensated use. The ASCAP submission discusses additional reasons why relegating copyright owners to injunctive relief would destroy the deterrent effects intended by Congress. And that in turn would frustrate the entire purpose of granting copyrights: establishing economic incentives to promote creative endeavor.

The Copyright Office has also sought information on problems state governments are having with copyright proprietors who may engage in unfair practices with respect to state governments' use of copyrighted materials. We are unaware of any such practices. Copyright owners are not in business to demand royalties if a state's use of copyrighted materials falls within one of the exemptions to state liability set forth in the Copyright Act. Copyright owners seek only to license uses of their copyrighted works at reasonable fees and royalty rates when such uses are compensable under the Act. Their overriding interest is to encourage the exploitation of copyrighted works by everyone -- including states. There is no reason to believe that copyright owners are engaging in unfair practices either generally, or in

particular with respect to state use of copyrights. Rather, it is in the interest of copyright proprietors to deal fairly with the states and encourage their widespread use of copyrighted works, in return for payment of royalties as provided by the Act. If any "abuses" by some copyright owners are taking place -- and we know of none -- the remedy is to deal with such practices directly, not to immunize the states entirely from the damage remedy which remains the single most effective way of vindicating the rights granted by Congress to all copyright owners against all infringers.

## II.

### THE LEGAL ISSUES

#### A. Background

Prior to 1985, there was little question that states were subject to damage suits for copyright infringement. See, e.g., Mills Music, Inc. v. Arizona, 591 F.2d 1278 (9th Cir. 1979). In fact, states had long accepted their liability and amenability to suit under the copyright laws. Eight state Attorneys General have concluded that the Copyright Act applies to the States and their agencies.<sup>4/</sup>

<sup>4/</sup> 107 Op. Att'y Gen. Alas. (1983); 366 Inf. Op. Att'y Gen. Alas. 404 (1982); 187 Slip Op. Att'y Gen. Ariz. 016 (1986); 65 Op. Att'y Gen. Cal. 106 (1982); 64 Op. Att'y Gen. (Continued)

Indeed, these Attorneys General's opinions show the great range of state use of copyrighted materials and the breadth of their expectation that royalty payments are mandated. Thus, the Attorneys General of Alaska, California, Louisiana and Utah have advised that the showing of videocassette tapes of motion pictures to state prison inmates without authorization from the copyright owner constitutes copyright infringement for which the states would be liable. 107 Op. Att'y Gen. Alas. (1983); 65 Op. Att'y Gen. Cal. 106 (1982); 84 Slip Op. Att'y Gen. La. 436 (1985); 82 Slip Op. Att'y Gen. Ut. 03 (1982). The Attorney General of Kansas has specifically concluded that a public school system's duplication of copyrighted musical works "contravenes 17 U.S.C.A. § 107" if done without the copyright owner's permission. 81 Slip Op. Att'y Gen. Kan. 202 at 4 (1981). And Florida's Attorney General has warned that state's Department of Labor that it should not reproduce or distribute copies of any type of copyrighted works without the permission of the copyright owner, since such reproduction would be an infringement of

---

(Continued)

Gen. Cal. 186 (1981); 82 Op. Att'y Gen. Fla. 148 (1982); 81 Slip Op. Att'y Gen. Kan. 202 (1981); 84 Slip Op. Att'y Gen. La. 436 (1985); 82 Slip Op. Att'y Gen. La. 662 (1982); Slip Op. Att'y Gen. S.C. (1977); 82 Slip Op. Att'y Gen. Ut. 03 (1982).

copyright, even by a state agency. 82 Op. Att'y Gen. Fla. 148.<sup>5/</sup>

Not only have state Attorneys General consistently advised state agencies that they are subject to the copyright laws, but state governments have for years been paying royalties for their use of copyrighted materials.

However, following the United States Supreme Court's decision in Atascadero State Hospital v. Scanlon, 473 U.S. 234 (1985), which held that Congress must express its intent to abrogate states' Eleventh Amendment immunity expressly on the face of a statute, several district courts have denied copyright owners the damage remedy against the states afforded under the Copyright Act of 1976, 17 U.S.C. § 101 et seq.; id. § 504.<sup>6/</sup> NMPA, MPA and SGA (as well as

---

<sup>5/</sup> The Florida opinion cited Mills Music for the proposition that states may be sued for copyright infringement. The Attorney General of California has also cited Mills Music in advising that states can be held liable for damages to copyright holders. 64 Op. Att'y Gen. Cal. 186 (1981).

<sup>6/</sup> There are currently four district courts which, citing the Eleventh Amendment, have found that states and state entities cannot be sued for damages under the Copyright Act. BV Eng'g v. University of California, 657 F. Supp. 1246 (C.D. Cal. 1987); Richard Anderson Photography, Inc. v. Radford Univ., 633 F. Supp. 1154 (W.D. Va. 1986); Woelffer v. Happy States of Am., Inc., 626 F. Supp. 499 (N.D. Ill. 1985); Mihalek Corp. v. Michigan, 595 F. Supp. 903 (E.D. Mich. 1984), aff'd on (Continued)

numerous other amici curiae) have argued on appeal of these cases that Congress has expressed its intent to subject the states to copyright infringement suits in the language of the statute. The Sixth Circuit, in Mihalek, did not reach the Eleventh Amendment question,<sup>7/</sup> and as of the time of this

(Continued)

other grounds, 814 F.2d 290 (6th Cir.), cert. denied, 56 U.S.L.W. 3414 (1987). But see Johnson v. University of Virginia, 606 F. Supp. 321 (W.D. Va. 1985) (states subject to suit under 1976 Copyright Act) (before Atascadero). In addition, as noted in footnote 3, a Florida district court erroneously extended the Eleventh Amendment to bar a suit for injunctive relief against state officials. See Cardinal Industries, Inc. v. Anderson Parish Assoc., No. 83-1038, Slip Op. (M.D. Fla. Sept. 6, 1985), aff'd without opinion, 811 F.2d 609 (11th Cir.), cert. denied, 108 S. Ct. 88 (1987).

The district court in BV Eng'g v. University of California felt that it was compelled to hold, however reluctantly, in light of Atascadero, that the state could not be sued pursuant to the Copyright Act.

The court is reluctant to reach the conclusion that Mills Music no longer obtains. Were the Court free to do so, it would hold otherwise, since it believes the view expressed by Judge (now Chief Justice) Lucas in the Mills Music case to be sound. In the copyright, trademark, and patent area, it seems reasonable that an intention to bind the states should be implied, particularly in view of the circumstance that the federal courts are the only place where federal copyrights may be enforced (federal court jurisdiction being exclusive under 28 U.S.C. § 1338(a)).

657 F. Supp. at 1250.

<sup>7/</sup> Mihalek Corp. v. Michigan, 559 F. Supp. 903 (E.D. Mich. 1984), aff'd on other grounds, 814 F.2d 290 (6th Cir.), cert. denied, 56 U.S.L.W. 3414 (1987).



submission, the Fourth Circuit in Richard Anderson Photog-  
raphy and the Ninth Circuit in BV Eng'g have yet to rule on  
the issue.<sup>8/</sup>

The legal trend represented by these cases would  
allow government instrumentalities to utilize the creative  
and scientific works of others -- from popular songs to  
modern symphonies, from the latest movies to lengthy literary  
manuscripts, from computer software to patented machinery --  
all without having to fear a damage suit for failure to pay  
royalties, as every other user would. If the trend of  
adverse district court decisions continues and is upheld, the  
states will stop paying royalties for their use of copyrighted  
materials and copyright owners will be left without recourse.  
for damages against infringing states.

Because copyright suits can be brought only in  
federal courts (28 U.S.C. § 1338(a)), the precise effect of  
these recent rulings is to grant the states a sweeping  
license to utilize all copyrighted works with impunity -- at  
least until each copyright owner discovers ongoing infringe-  
ment and can obtain an injunction against future use.<sup>9/</sup> In

---

<sup>8/</sup> No. appeal was filed in Woelffer v. Happy States of Am.,  
Inc., 626 F. Supp. 499 (N.D. Ill. 1985).

<sup>9/</sup> 28 U.S.C. § 1338(a) provides that "[t]he district courts  
(Continued)

these circumstances, an injunction is an imperfect remedy and one which, without the companion remedy of compensation in damages, does little to protect the economic interests of creative writers and musicians. (See supra at pp. 6-8.)

B. The Possibility of Express Waivers of Eleventh Amendment Immunity

The Supreme Court's Eleventh Amendment decisions recognize that the states may expressly waive their immunity in state legislation or constitutional provisions. See Welch v. State Dep't of Highways and Transp., \_\_\_ U.S. \_\_\_, 107 S. Ct. 2941 (1987); Atascadero State Hospital v. Scanlon, 473 U.S. 234 (1985). Thus, the exclusive jurisdiction provisions of the copyright scheme would not present the difficulties noted above if in fact the states had waived the claim of Eleventh Amendment immunity to copyright suits in federal court. In order to find that a state has waived its Eleventh Amendment immunity through constitutional or statutory authorization, the Supreme Court requires an "unequivocal indication" in the relevant state provision that such a waiver has been intended. Atascadero, 473 U.S. at 238 n.1.

(Continued)

shall have original jurisdiction of any civil action arising under any act of Congress relating to patents . . . copyrights and trade-marks. Such jurisdiction shall be exclusive of the courts of the states in patents . . . and copyright cases."

But a state's consent to suit in its own courts is not a waiver of the state's Eleventh Amendment immunity, Great N. Life Ins. Co. v. Read, 322 U.S. 47, 54 (1944), nor can a waiver be found in a general declaration that a state entity may sue and be sued. Florida Dep't of Health and Rehabilitative Services v. Florida Nursing Home Ass'n, 450 U.S. 147, 149-50 (1981) (per curiam).

Applying these standards, only one state, Rhode Island, can be said to have expressly waived its Eleventh Amendment immunity to suit in federal court.<sup>10/</sup> In contrast, fifteen states have expressly declared that any waiver of sovereign immunity on their part is not to be construed as a waiver of their Eleventh Amendment immunity.<sup>11/</sup> Another

<sup>10/</sup> R.I. Gen. Laws §9-31-1 (1951). On its face the provision does not satisfy the Atascadero test, as there is only a general waiver of sovereign immunity with no mention of an Eleventh Amendment waiver. The Rhode Island Supreme Court, however, in response to a question certified to it by the First Circuit, has interpreted the state's general waiver of immunity to be a waiver of Eleventh Amendment immunity as well. Della Grotta v. Rhode Island, 781 F.2d 343 (1st Cir. 1986). As the final arbiter of state law, the Rhode Island court's interpretation of the state's waiver provision must be accepted as conclusive.

<sup>11/</sup> Florida, Fla. Sta. Ann. §768.28(15) (West 1986); Georgia, Ga. Const. art. 1, §2, para. IX; Indiana, Ind. Code § 34-4-16.5-5(d) (1986); Kansas, Kan. Stat. Ann. § 75-6116(d) (1986); Maine, Me. Rev. Stat. Ann. tit. 14, § 8118 (1980); Maryland, Md. State Gov. Code Ann. § (Continued)

fourteen states, while silent as to any specific retention of Eleventh Amendment immunity, have provided that their state courts or claim boards have exclusive jurisdiction to hear claims against the state.<sup>12/</sup>

Of the remaining twenty states, thirteen provide simply that their own courts or claim boards have jurisdiction over claims against the state, with no specific provision that such jurisdiction is exclusive,<sup>13/</sup> and seven,

(Continued)

- 12-103(2) (1984); Mississippi, Miss. Code Ann. § 11-46-5(4) (Supp. 1987); Nevada, Nev. Rev. Stat. § 41.031(3) (1986 & Supp. 1987); New Mexico, N.M. Stat. Ann § 41-4-4 F. (1978); Oklahoma, Okla. Stat. Ann tit. 51, § 152.1 B. (West Supp. 1988); Pennsylvania, 42 Pa. Cons. Stat. Ann § 8521(b) (Purdon 1982); South Carolina, S.C. Code Ann. § 15-78-20(e) (Law. Co-op. Supp. 1987); South Dakota, S.D. Codified Laws Ann. § 3-21-10 (Supp. 1987); Tennessee, Tenn. Code Ann. § 9-8-307(f) (1987); Texas, Tex. Civ. Prac. & Rem. Code Ann. §§101.102 (Supp. 1988), 107.002(a)(11) (Supp. 1988).
- <sup>12/</sup> Arkansas, Ark Stat. Ann § 19-10-204 (1987); Illinois, Ill. Ann. Stat. ch. 37, para. 439.8 (Smith-Hurd 1972 & Supp. 1987); Iowa, Iowa Code Ann. § 25A.4 (West 1978 & Supp. 1987); Kentucky, Ky. Rev. Stat. Ann. § 44.073(8), (12) (1986); Louisiana, La. Rev. Stat. Ann § 13:5106 A. (West Supp. 1987); Michigan, Mich. Comp. Laws Ann § 600.6419(1) (West 1987); Nebraska, Neb. Rev. Stat. § 81-8,214 (1943 & Supp. 1986); New Hampshire, N.H. Rev. Stat. Ann § 541-B:9 (Supp. 1986); Ohio, Ohio Rev. Code Ann. § 2743.03 (Baldwin 1984 & Supp. 1987); Utah, Utah Code Ann. § 63-30-16 (1986); Vermont, Vt. Stat. Ann. tit. 12 § 5601 (1973); Virginia, Va. Code Ann. § 8.01-195.4 (Supp. 1987); West Virginia, W.VA. Code § 14-2-2 (1985); Wyoming, Wyo. Stat. § 1-39-117 (1987).
- <sup>13/</sup> Alabama, Ala. Code § 41-9-62 (1975 & Supp. 1987);

(Continued)

although authorizing claims against the state in various circumstances, are completely silent with regard to the forums in which such claims may properly be brought.<sup>14/</sup> Nevertheless, under the test of Atascadero, the waiver by these twenty states of some portion of their sovereign immunity cannot be construed as a waiver of their Eleventh Amendment immunity, and in cases both before and after Atascadero, federal courts have consistently declined to find that these states have intended any such waiver.<sup>15/</sup>

(Continued)

Alaska, Alaska Stat. § 09.50.250 (1962 & Supp. 1987); California, Ca. Gov. Code § 955 et seq. (West 1980 & Supp. 1988); Connecticut, Conn. Gen. Stat. Ann. § 4-160(b) (West 1969 & Supp. 1987); Hawaii, Haw. Rev. Stat. §§ 661-1, 662-3 (1985); Idaho, Idaho Code § 6-901 (1979 & Supp. 1987); Massachusetts, Mass. Ann. Laws ch. 258, § 3 (Law. Co-op. 1980 & Supp. 1987); Minnesota, Minn. Stat. Ann. §§ 3.732(5), 3.736 subd.2 (West 1987); Montana, Mont. Code Ann. §§ 2-9-311, 25-2-126 (1987); New York, N.Y. Judiciary Code - Court Acts, Court of Claims Act. Art. II, § 8 (McKinney 1963); North Carolina, N.C. Gen. Stat. § 143-291 et seq. (1987); North Dakota, N.D. Cent. Code § 32-12-02 (1976 & Supp. 1987); Washington, Wash. Rev. Code Ann. § 4.92.010 (Supp. 1987).

<sup>14/</sup> Arizona, Ariz. Rev. Stat. Ann. § 12-821 (Supp. 1987); Colorado, Colo. Rev. Stat. § 24-10-101 et seq. (1982 & Supp. 1987); Delaware, Del. Code Ann. tit. 18, § 6511, and tit. 10, § 4001 (Supp. 1986); Missouri, Mo. Ann. Stat. § 537.600 (Vernon Supp. 1988); New Jersey, N.J. Stat. Ann. § 59:1-1 et seq. (West 1982); Oregon, Or. Rev. Stat. §§ 30.260, 30.320 (1985); Wisconsin, Wis. Stat. § 775.01 (1981).

<sup>15/</sup> Charley's Taxi Radio Dispatch v. SIDA of Hawaii, (810 (Continued)

Clearly the states have little desire to appear as defendants in federal court. Express waiver of their Eleventh Amendment immunity, either generally or (if it exists) in copyright cases, is not likely. Rather, in recent years at least eleven states have adopted statutory or constitutional provisions expressly retaining their Eleventh Amendment immunity or providing that claims against them can be brought

(Continued)

F.2d 869, 873-74 (9th Cir. 1987) (no waiver by Hawaii); Minotti v. Lensik, 798 F.2d 607 (2d Cir. 1986) (no waiver by Connecticut); Jones v. Smith, 784 F.2d 149 (2d Cir. 1986) (no waiver by New York); Williams v. Bennett, 689 F.2d 1370 (11th Cir. 1982), cert. denied, 464 U.S. 932 (1983) (no waiver by Alabama); Markowitz v. U.S., 650 F.2d 205 (9th Cir. 1981) (no waiver by Arizona); Riggle v. California, 577 F.2d 579, 585-86 (9th Cir. 1978) (no waiver by California); Skokomish Indian Tribe v. France, 269 F.2d 555 (9th Cir. 1959) (no waiver by Washington); Degidio v. Perpich, 612 F. Supp. 1383, 1389 (D. Minn. 1985) (no waiver by Minnesota); Stewart v. Hunt, 598 F. Supp. 1342, 1351 (D.N.C. 1984) (no waiver by North Carolina); Valley Towing Serv. v. Missouri, 581 F. Supp. 1287 (D. Mo. 1984) (no waiver by Missouri); Pagano v. Hadley, 535 F. Supp. 92 (D. Del. 1982) (no waiver by Delaware); Verner v. Colorado, 533 F. Supp. 1109 (D. Colo. 1982), aff'd, 716 F.2d 1352 (10th Cir. 1983) (no waiver by Colorado); Knox v. Regents of Univ. of Wisc., 385 F. Supp. 886 (E.D. Wisc. 1975) (no waiver by Wisconsin); Ritchie v. Cahall, 386 F. Supp. 1207 (D. N.J. 1974) (no waiver by New Jersey); Delong Corp. v. Or. State Highway Comm'n, 233 F. Supp. 7 (D. Or. 1964) (no waiver by Oregon). But c.f. Cole v. Alaska Dep't of Transp., 621 F. Supp. 3 (D. Alaska 1984) (Alaska waived Eleventh Amendment immunity for claims based on unseaworthiness), a decision that pre-dated Atascadero and would almost certainly come out the other way today.

only in their own courts.<sup>16/</sup> It is thus apparent, because copyright claims can be brought only in federal court, that if federal copyright laws are to be fully enforceable in a meaningful way against the states, it must be because Congress expressly so intended and thus abrogated the states' Eleventh Amendment immunity in copyright cases.

C. Congressional Abrogation of  
Eleventh Amendment Immunity

The Supreme Court<sup>17/</sup> and the lower federal courts<sup>18/</sup> have long recognized that Congress has the power to abrogate

<sup>16/</sup> Florida (statute amended 1984); Georgia (constitution amended 1982); Mississippi (new state tort claim act, 1984); Ohio (statute amended 1987); Oklahoma (statute amended 1984); Pennsylvania (new state tort claim act, 1980); South Carolina (new state tort claim act, 1986); South Dakota (statute amended 1986); Texas (statute amended 1987); Virginia (statute amended 1987); Wyoming (statute amended 1987).

<sup>17/</sup> Welch v. State Dep't of Highways and Pub. Transp., U.S. \_\_\_, 55 U.S.L.W. 5046, 5048 (U.S. June 25, 1987); Atascadero State Hospital v. Scanlon, 473 U.S. 234 (1985); Edelman v. Jordan, 415 U.S. 651 (1974); Employees v. Missouri Dep't of Pub. Health and Welfare, 411 U.S. 279 (1973); Parden v. Terminal Ry. 377 U.S. 184 (1964).

<sup>18/</sup> McVey Trucking, Inc. v. Secretary, 812 F.2d 311 (7th Cir.), cert. denied, 108 S. Ct. 227 (1987); Gomez v. Illinois State Bd. of Educ., 811 F.2d 1030 (7th Cir. 1987); Doe by Gonzales v. Maher, 793 F.2d 1470 (9th Cir. 1986); David D. v. Dartmouth School Committee, 775 F.2d 411 (9th Cir. 1985), cert. denied, 106 S. Ct. 1790 (1986).

the states' Eleventh Amendment immunity, without their consent, in particular kinds of cases arising under federal law. The only requirement is that Congress' intention to do so be made clear "in unmistakable language in the Statute itself." Atascadero, supra, 473 U.S. at 243. As we show below -- and argued in greater detail in the amicus briefs filed in the Fourth and Ninth Circuits<sup>19/</sup> -- Congress has already abrogated the states' Eleventh Amendment immunity in copyright cases by "unmistakable language" in the 1976 Copyright Act. That Act and its legislative history make it plain that Congress clearly intended states to be subject to suit for copyright infringement and made that intent plain on the face of the statute.

Chapter Five of the Copyright Act of 1976 defines "an infringer of the copyright" as "[a]nyone who violates any of the exclusive rights of the copyright owner," and states that the "owner of an exclusive right under a copyright is entitled . . . to institute an action for any infringement of that particular right." 17 U.S.C. §§ 501(a) and (b) (emphasis added). Among the remedies expressly granted to the copyright proprietor against "anyone" who infringes is an action to recover either:

---

<sup>19/</sup> See Appendix.



- (1) the copyright owner's actual damages and any additional profits of the infringer . . . or
- (2) statutory damages. . . .

17 U.S.C. § 504(a). Thus, as a starting point, it is clear that Congress has created a remedy against a class of persons which "literally includes States." See Edelman v. Jordan, 415 U.S. 651, 672-74 (1974).

These remedy provisions are not, however, the sum total of the "language of the statute" which must be scrutinized for evidence of congressional intent to abrogate the states' immunity. The Supreme Court has only recently emphasized that "[i]n expounding a statute, we must not be guided by a single sentence or a member of a sentence, but look to the provisions of the whole law." Kelly v. Robinson, — U.S. —, 107 S. Ct. 353, 358 (1986) (quoting Offshore Logistics, Inc. v. Tallentire, 106 S. Ct. 2485, 2494 (1986)); see also McVey Trucking, Inc. v. Secretary, 812 F.2d 311 (7th Cir.) ("[I]n seeking to construe a statute, we do not view any provision in isolation. Rather we seek to understand a given provision by determining how it fits into the larger statute of which it is a part.") (emphasis added), cert. denied, 108 S. Ct. 227 (1987). In the case of the Copyright Act, that means looking not only at the remedies sections, but also the unmistakable language of the various exceptions to copyright liability, applicable solely or principally to

state governments, that clearly demonstrate a congressional intent to permit federal court suit against infringing states in the absence of those express exceptions.

Examination of the "statutory language" of these specific exemptions shows clearly that Congress intended states to be otherwise liable for copyright infringement:

An exemption of particular relevance to NMPA, MPA and SGA is Section 110(6) of the Act, which was debated by Congress at length before enactment.<sup>20/</sup> That section exempts from liability public "performance of a nondramatic musical work by a governmental body" during a fair "conducted by such body." 17 U.S.C. § 110(6). This "state fair exemption" also exempts the states from vicarious liability for copyright infringement by private concessionaires, business establishments, or other persons at state fairs (but does not exempt the actual private infringer from liability).

Section 601 of the Act exempted from liability for copyright infringement importers of English language books imported "under the authority or for the use, other

---

<sup>20/</sup> See, e.g., Hearings on S.597 Subcomm. on Patents, Trademarks and Copyrights of the Committee on the Judiciary, 90th Cong., 1st Sess. (1967), at 31, 625-27, 632-36, 1337-38.

than in schools, of the Government of . . . any State or political subdivision of a State." 17 U.S.C. § 601(b)(3).<sup>21/</sup>

Likewise, Section 602 explicitly exempts copies which are to be used by a "State or political subdivision of a State" from the general rule that forbids the unauthorized import of copyrighted materials acquired outside the United States. 17 U.S.C. § 602(a)(1).

Performance of copyrighted works by teachers or students is immune from suit, if the performance is part of the systematic instructional activities of a governmental body, is done for educational purposes, and is received in a classroom, by the disabled, or by employees of a governmental body as part of their official duties. 17 U.S.C. § 110(2).

A "governmental body," entitled under section 110(8) of the Act to transmit copyrighted performances, may make up to ten copies of such performances (17 U.S.C. § 112(d)), as long as the copies are used for certain limited purposes (17 U.S.C. § 112(d)(2)) and no charge is made for any such use (17 U.S.C. § 112(d)(3)).

---

<sup>21/</sup> Section 601(b)(3), the "manufacturing clause," by its terms was a temporary provision which terminated on July 13, 1982. By an amendment on that date, Congress extended its effect until July 1, 1986. However, the ninety-ninth Congress declined to renew this primarily trade-related exemption.

A "governmental body" may reproduce certain copyrighted television broadcasts, but if the copies are not destroyed within seven days "such body . . . shall be deemed to have infringed." 17 U.S.C. § 118(d)(3) (emphasis added).<sup>22/</sup>

If Congress had intended the states to be altogether immune from suit for every kind of infringement, as the court below held, then these carefully-worded -- and, in some cases, extensively debated -- specific exemptions would have been unnecessary.

Congress's intent to include the states among those amenable to damage suits is also "unequivocally express[ed]" (Atascadero, 473 U.S. at 243), in the jurisdictional provision through which the Copyright Act is enforced. As already noted, 28 U.S.C. section 1338(a) gives federal courts exclusive jurisdiction over all copyright suits. Thus, unlike other Supreme Court cases in which Eleventh Amendment immunity

---

<sup>22/</sup> The term "governmental bodies" was clearly understood during the drafting and debate of the Copyright Act to include the states and state entities. (See House Comm. on the Judiciary, Copyright Law Revision, "Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law," 87th Cong., 1st Sess. at 129 (Comm. Print July 1961), expressly noting that the law contained "nothing to prevent copyright . . . at least of the States, from securing copyright . . ." (emphasis added)); see also Fitzpatrick v. Bitzer, 427 U.S. 445, 449 and n.2 (1976) (phrase governmental bodies includes States under Title VII).

shielded states from liability -- none of which involved acts of Congress creating remedies enforceable exclusively in federal court -- the result of upholding Eleventh Amendment immunity in copyright cases is to deny the damage remedy entirely.

Furthermore, the legislative history of the Copyright Act reinforces the conclusion that Congress intended to abrogate the states' immunity.<sup>23/</sup> The legislative history of the Copyright Act of 1976 is replete with instances in which Congress focused on the extent to which states and their agencies utilize copyrighted works and should be liable for infringement -- as well as the reasons why states should, in limited instances, be exempt from such liability. For example, Senate subcommittee testimony outlined the pervasive use of copyrighted music at state fairs, and requested that a specific provision be narrowly tailored to permit this

---

<sup>23/</sup> As with any issue of statutory construction, the precise meaning of language on the face of a statute can and should be discerned with the aid of legislative history. To be sure, the statutory language must be "unmistakable," but legislative history can still serve, as the Seventh Circuit held in McVey Trucking, Inc. v. Secretary, to resolve "any lingering uncertainty" that Congress intended to create a cause of action against the states. See McVey, 812 F.2d 311, 324 (7th Cir.), cert. denied, 108 S. Ct. 227 (1987)).

use.<sup>24/</sup> Neither the senators nor those presenting testimony had the least doubt that states would be fully liable for copyright infringement in these circumstances unless a "state fair" exemption was included in the Copyright Act. Similarly, there was extensive testimony before Congress indicating the need for exemptions permitting certain limited uses of copyrighted material by libraries -- including state institutional libraries,<sup>25/</sup> and by public radio and television stations -- including those owned and operated by state

---

<sup>24/</sup> Copyright Law Revision, Hearings on S. 597, Subcomm. on Patent, Trademarks and Copyrights, Comm. on the Judiciary, 90th Cong., 1st Sess. (1967) (letter of Sen. Frank J. Lausche) at 31; *id.* (statement of William B. Hartsfield, President, Southeastern Fair Ass'n) at 625; *id.* (statement of William T. Collins, President, Outdoor Amusement Business Ass'n, Inc.) at 632; *id.* (letter from Sen. Jennings Randolph at 1337); *id.* (letter from C. T. Sydenstricker, Secretary-Manager, State Fair of West Virginia) at 1338.

<sup>25/</sup> Copyright Law Revision, Hearings on H.R. 4347, Subcomm. No. 3, House Comm. on the Judiciary, 89th Cong., 1st Sess. (1965) (statement of Dr. Charles F. Gosnell, Chairman, Comm. on Copyright Issues, Am. Library Ass'n) at 459; Copyright Law Revision, Hearings on S. 1361, Subcomm. on Patents, Trademarks and Copyrights, Senate Comm. on the Judiciary, 93rd Cong., 1st Sess. (1973) (statement of Stephen A. McCarthy, Exec. Dir., Ass'n of Research Libraries) at 97; *id.* (statement of Dr. Edmon Low, Chairman, Copyright Subcomm. of Am. Library Ass'n) at 101; Copyright Law Revision, Hearings on H.R. 2223, Subcomm. on Courts, Civil Liberties and the Admin. of Justice, House Comm. on the Judiciary, 94th Cong., 1st Sess. (1975) (statement of Frank McKenna, Exec. Director, Special Libraries Ass'n) at 213.

institutions.<sup>26/</sup> Again, there was never any doubt expressed that, without the exemptions, state instrumentalities operating in these areas would be otherwise fully liable for infringement under the Act. Taken as a whole, the legislative history removes "any lingering uncertainty" that Congress intended the states to be amendable to federal court copyright suits and subject to the full range of remedies available under the Copyright Act, except where specifically exempted.

One final issue that must be laid to rest is whether Congress has constitutional authority to abrogate the states' Eleventh Amendment immunity by acting pursuant to Article I of the Constitution. The district court in Richard Anderson Photography, Inc. v. Radford University, 633 F. Supp. 1154 (W.D. Va. 1986), concluded that "Congress does not have the power to abrogate the States' Eleventh Amendment immunity without their consent unless it acts pursuant to § 5 of the Fourteenth Amendment." Anderson, 633 F. Supp. at 1158 (W.D.

---

<sup>26/</sup> Meeting on Preliminary Draft for Revised U.S. Copyright Law, House Comm. on the Judiciary, 87th Cong., 1st Sess. (1963) (statement of Eugene N. Aleinkoff, Nat. Educ. Television and Radio Center) at 144; Copyright Law Revision, Hearings on S. 597, Subcomm. on Patent, Trademarks and Copyrights, Comm. on the Judiciary, 90th Cong., 1st Sess. (1967) (statement of Edwin G. Cohen, Exec. Dir., Nat'l Center for School and College Television) at 991-92; id. (statement of Chalmers H. Marquis, Exec. Dir., Educ. Television Stations, Nat'l Ass'n of Educ. Broadcasters) at 1013.

Va. 1986). The Copyright Act was enacted under the Patent and Copyright Clause in Article I. But the Supreme Court has never restricted the abrogation exception to laws enacted under the Fourteenth Amendment; indeed, the Anderson court's assumption is inconsistent with the analysis employed by the Supreme Court in its recent Eleventh Amendment decisions.

In Atascadero, the Court expressly asked whether, if the Rehabilitation Act had been enacted pursuant to Congress' Article I powers, there would be sufficient evidence of Congressional intent to overcome Eleventh Amendment immunity. 473 U.S. at 246-47. Although the Court found no such clear indication, that the question was asked at all demonstrates the Court's belief that Congress may abrogate the states' Eleventh Amendment immunity under its Article I powers. Six months later, in Green v. Mansour, \_\_ U.S. \_\_, 106 S. Ct. 423 (1985), far from suggesting that the abrogation test was restricted to statutes enacted pursuant to Congress' Fourteenth Amendment powers, the Court stated simply that Congress must act "pursuant to a valid exercise of power." Id. at 425. And, most recently, in Welch v. State Dep't of Highways and Pub. Transp., the Court assumed, without deciding, that Congress could abrogate under its Article I powers. \_\_ U.S. \_\_, 55 U.S.L.W. 5046, 5048 (U.S. June 25, 1987) (No. 85-1716). Moreover, in Welch the Court expressly declared that it was not questioning the validity



of its prior holding in Parden v. Terminal Ry., 377 U.S. 184 (1964), that "Congress has the power to abrogate the States' Eleventh Amendment immunity under the Commerce Clause [U.S. Const., art. I, § 8, cl. 3]." Id. at 5049 n.8.

In McVey Trucking, Inc. v. Secretary, 812 F.2d 311, 323 (7th Cir.), cert. denied, 108 S. Ct. 227 (1987), the Seventh Circuit, after an exhaustive analysis, discerned no intention on the part of the Supreme Court to restrict Congress' abrogation power solely to legislation enacted pursuant to the Fourteenth Amendment. The Seventh Circuit therefore concluded that Congress is empowered to abrogate by legislating under the Bankruptcy Clause of the Constitution, Article I, § 8, cl. 4.<sup>27/</sup> Likewise, in BV Eng'g v. University of California, 657 F. Supp. 1246, 1248 (C.D. Cal. 1987), the district court agreed with the McVey conclusion that Congress can abrogate state immunity pursuant to any of its plenary powers. See also United States v. Union Gas Co., 832 F.2d 1343 (3d Cir. 1987) (Congress may abrogate under its Article I commerce clause power).

---

<sup>27/</sup> The McVey court found further support for its conclusion from the fact that Congress vested exclusive jurisdiction in bankruptcy cases in the federal courts -- just as it has in the Copyright Act. See 812 F.2d at 321 n.5.

In the final analysis, there is no sound reason for limiting Congress' abrogation powers to Fourteenth Amendment legislation; its original powers under Article I are at least as critical to the framework of our federal system as its Fourteenth Amendment powers. As Professor Tribe has noted:

it remains true after the eleventh amendment . . . that Congress, acting in accordance with its Article I powers as augmented by the necessary and proper clause, . . . can effectuate the valid substantive purposes of federal law by . . . compelling states to submit to adjudication in federal courts. . . .

Tribe, Intergovernmental Immunities in Litigation, Taxation, and Regulation: Separation of Powers Issues in Controversies About Federalism, 89 Harv. L. Rev. 682, 694 (1976). Indeed, without this power, Congress would remain utterly unable to implement in a consistent and uniform fashion the very legislative responsibilities delegated to it under Article I. Thus, as the Supreme Court itself has previously observed, if the Eleventh Amendment were construed to bar private suits seeking to enforce Article I restrictions on state power, these restrictions would become "nullified and made of no effect"; Prout v. Starr, 188 U.S. 537, 543 (1903). That is especially true, as noted, of the uniform national system of copyrights, with its exclusive federal court jurisdiction. Accordingly, Congress may abrogate the states' Eleventh Amendment immunity under its Article I powers. And, as shown above and in the attached amicus briefs to the Fourth and

Ninth Circuits (4th Cir. Br., pp. 11-25; 9th Cir. Br., pp. 10-23), Congress has acted to abrogate that immunity in suits brought under the Copyright Act of 1976.

D. The Future Role of Congress

While we believe that the arguments set forth above demand reversal of the district court trend, it is possible that the appellate courts may conclude that Atascadero requires a more explicit statement of Congressional intent to abrogate states' immunity than now appears on the face of the Copyright Act. That would leave to Congress the problem of preventing the states from enjoying royalty-free licenses simply by virtue of the inability of copyright proprietors to sue them for damages.

There are two legislative solutions which are theoretically possible -- but only one of which is really satisfactory and consistent with the history and purpose of the Copyright Act. Theoretically, Congress could amend the Act to remove the exclusive jurisdiction of the federal courts in copyright suits and thus permit such suits in state courts where the Eleventh Amendment is no bar. Or, it could follow the dictates of Atascadero (as the courts may construe that decision in the copyright context) by inserting more "unmistakable language" into the 1976 Act. For the following

reasons, only the latter solution should be considered in the event that Congress must act to solve the problem.

The exclusive jurisdiction of the federal courts over copyright suits has both constitutional and public policy underpinnings. In order to fulfill the dictates of the Patent and Copyright Clause of the Constitution, Congress, in 1948, granted exclusive jurisdiction to the federal courts over patent and copyright suits. 28 U.S.C. § 1338(a) (as amended Dec. 24, 1970). As the Supreme Court has noted in Goldstein v. California, 412 U.S. 546 (1973), the Patent and Copyright Clause established Congress' exclusive power to provide for a uniform national system of patent and copyright protection. As the Court there recognized, "the objective of the Copyright Clause was clearly to facilitate the granting of rights national in scope," 412 U.S. at 555.

A cornerstone of this uniform system of copyright and patent rights and remedies has been Congress' grant to the federal courts of exclusive jurisdiction over copyright and patent cases. The objective was to keep state courts out of the lawmaking process in these critical spheres. See, e.g., Sears, Roebuck & Co. v. Stiffel & Co., 376 U.S. 225, 231 (1964). Congress has further emphasized its commitment to a uniform national system of copyright protection by enacting section 301 of the Copyright Act, which preempts all state laws covering copyrighted matter eligible for protec-

tion under the Act. 17 U.S.C. §301. Through this Section and the grant of exclusive jurisdiction, Congress intended to establish a "single federal system" that "would greatly improve the operation of the copyright law and would be much more effective in carrying out the basic constitutional aims of uniformity and the promotion of writing and scholarship."<sup>28/</sup> Congress wished to "avoid the development of any vague borderline areas between state and federal protection."<sup>29/</sup> Thus, the entire structure of the copyright laws seeks to provide a natural, uniform system of copyright protection upon which copyright owners depend, see Lemelson v. Ampex Corp., 372 F. Supp. 708, 711-12 (N.D. Ill. 1974), and which encourages "people to devote themselves to intellectual and artistic creation." Goldstein v. California, 412 U.S. 546, 555 (1973). Federal judicial as well as Congressional control over copyrights is essential to promoting our system of intellectual and creative freedom and protection.

---

<sup>28/</sup> Abrams, Copyright, and Preemption: Constitutional and Statutory Limits of State Law Protection, The Supreme Court Review 509, 512 (1984) (quoting H.R. Rep. No. 1476, 94th Cong., 2d Sess. 129 (1976); S. Rep. No. 473, 94th Cong., 1st Sess. 113 (1975)).

<sup>29/</sup> Abrams, supra note 19 (quoting H. Rep. No. 1476, 94th Cong. 2d Sess. 130 (1976); S. Rep. No. 473, 94th Cong., 1st Sess. 114 (1975)).

Even setting aside for the moment the adverse effects on the development of a uniform body of national copyright law, it is unlikely that if Congress eliminates exclusive federal court jurisdiction, many states would permit claims of copyright infringement to be brought against them even in their own courts. At least nine states have effected only limited waivers of their sovereign immunity, for certain specific claims, and the statutory language of the limited waivers is so narrow that any suits against these states for copyright infringement would be unequivocally barred in their own courts.<sup>30/</sup> Another five states have waived their sovereign immunity in certain circumstances,

---

<sup>30/</sup> Colorado, Colo. Rev. Stat. § 24-10-106 (1982 & Supp. 1987); Delaware, Del. Code Ann. tit. 10, § 4012 (Supp. 1986); Maine, Me. Rev. Stat. Ann. tit. 14, § 8104 (1980); Maryland, Md. State Gov. Code Ann. § 12-104 (1984); Missouri, Mo. Ann. Stat. § 537.600 (Vernon Supp. 1988); New Mexico, N.M. Stat. Ann. § 41-4-4 A. (1978); North Dakota, N.D. Cent. Code §§ 32-12-02, 32-12.1-03 (4.) (1976 & Supp. 1987); Wisconsin, Wis. Stat. § 775.01 (1981); Wyoming, Wyo. Stat. § 1-39-104(a) (1987).

For eight of the states, liability is limited to damages for personal injuries, death, or property damage caused by various specifically enumerated state activities, such as the operation of state vehicles, the maintenance of state highways, etc. The ninth, Wisconsin, has not waived any sovereign immunity for tort claims against the state. *Boldt v. Wisconsin*, 101 Wis. 2d 566, 305 N.W.2d 133 (1981) (the Wisconsin waiver statute is a limited waiver, and does not include general tort liability).

but only to the extent of permitting suit understate law;<sup>31/</sup> since copyright infringement is a claim arising under federal law, it is problematic whether such a claim could be brought against these states in their own courts. Lastly, a number of states provide that claims against them are to be brought not in courts at all, at least in the first instance, but instead in state claims commissions of one sort or another.<sup>32/</sup> The members of these commissions are often not judges, nor do the commissions necessarily operate under the constraints of state rules of civil procedure, and hence it is highly uncertain whether they are equipped to deal with federal copyright claims and the body of highly specialized law that must be applied in the adjudication of these claims.

---

<sup>31/</sup> Florida, Fla. Sta. Ann. § 768.28(1) (West 1986); Idaho, Idaho Code § 6-903 (1979 & Supp. 1987); Kansas, Kan. Stat. Ann. § 75-6103(a) (1986); Oklahoma, Okla. Stat. Ann. tit. 51, § 153 (West Supp. 1988); Texas, Tex. Civ. Prac. & Rem. Code Ann. § 101.021(1)(B) (1986).

<sup>32/</sup> See, e.g., Alabama, Ala. Code § 41-9-61 (1975 & Supp. 1987) (Board of Adjustment); Arkansas, Ark. Stat. Ann. § 19-10-201 (1987) (State Claims Commission); Connecticut, Conn. Gen. Stat. Ann. § 4-142 (West 1969 & Supp. 1987) (Commission on Claims); Kentucky, Ky. Rev. Stat. Ann. § 44.070 (1986) (Board of Claims); North Carolina, N.C. Gen. Stat. § 143-291 (1987) (North Carolina Industrial Commission); Tennessee, Tenn. Code Ann. §§ 9-8-101 (1987) (Board of Claims), 9-8-301 (1987) (Tennessee Claims Commission).

All in all, providing state courts with concurrent jurisdiction over copyright suits creates more problems than it solves, and is no answer to the Eleventh Amendment problems posed by the exclusive federal jurisdiction scheme of our national copyright laws.

Thus, the only solution that would be both effective in enforcing a copyright proprietor's rights and consistent with the history and purpose of the Copyright Act is the amendment that we propose, making absolutely clear Congress' intent to abrogate Eleventh Amendment immunity in copyright cases. That would be accomplished by writing into "the face of the statute" a specific provision that unequivocally provides that states are subject to damages suit. To accomplish this, the following language should be added to Section 101 -- the definitional section of the Copyright Act:

"Anyone" includes all State and local governments and any agency, entity or instrumentality thereof.

In addition, in order to end any dispute about this issue, we suggest that Congress include the following preamble to the enactment amending Copyright Act:

It is the intention of Congress that State and local governments shall be subject to all provisions of this Act in the same manner and to the same extent, both procedurally and substantively, as any nongovernmental entity, including, without limitation, amenability to suit in federal courts for money damages under Chapter 5 of this title, except where specifically exempted by this Act.



Similar language was held to expressly abrogate states' Eleventh Amendment immunity under the Comprehensive Environmental Response Compensation Liability Act (CERCLA). In that case, the Third Circuit held that CERCLA, as a result of 1986 congressional amendments, now provides the unmistakably clear language necessary under Atascadero to enable a plaintiff to assert a claim against a state for money damages. See United States v. Union Gas Co., 832 F.2d 1345 (3rd Cir. 1987).

#### CONCLUSION

While we believe that the current district court trend of exempting states from copyright liability pursuant to the Eleventh Amendment cannot withstand legal scrutiny, it is possible that courts will feel, although incorrectly, that they have no choice but to follow this disturbing legal trend. If that should happen, we respectfully submit that, in order to preserve Congress' intention in the Copyright Act

of 1976 to subject states to liability for damages, Congress consider amending that Act to affirm explicitly the full amenability of the states to suit in federal court for copyright infringement.

Respectfully submitted,  
NATIONAL MUSIC PUBLISHERS'  
ASSOCIATION, INC.

By Steven B. Rosenfeld  
Steven B. Rosenfeld, Esq.  
PAUL, WEISS, RIFKIND, WHARTON & GARRISON  
1285 Avenue of the Americas  
New York, New York 10019  
(212) 373-3000

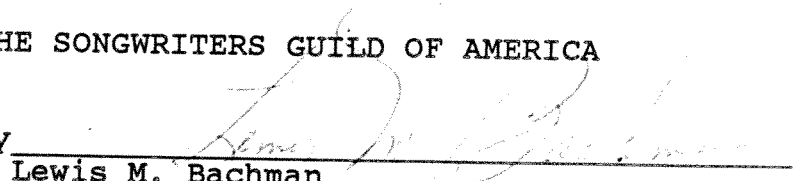
Peter L. Felcher  
Steven B. Rosenfeld  
Marjorie L. Van Dercook  
Of Counsel

MUSIC PUBLISHERS' ASSOCIATION OF THE  
UNITED STATES, INC.

By Howard L. Wattenberg  
Howard L. Wattenberg, Esq.  
MARSHALL MORRIS GLINERT POWELL  
WATTENBERG & PERLSTEIN  
130 West 57th Street  
New York, New York 10019  
(212) 582-1122

## THE SONGWRITERS GUILD OF AMERICA

By

  
Lewis M. Bachman

The Songwriters Guild of America  
276 Fifth Avenue, Room 316  
New York, New York 10001  
(212) 686-6820

# Houghton Mifflin Company

One Beacon Street, Boston, Massachusetts 02108  
(617) 725-5000 Cable HOUGHTON

FEB 01 1988

January 29, 1988

FEDERAL EXPRESS

Dorothy Schrader, Esquire  
Office of the General Counsel  
Copyright Office  
Library of Congress  
Department 100  
Washington, D. C. 20559

GENERAL COUNSEL  
OF COPYRIGHT

FEB 04 1988

RECEIVED

Comment Letter

RM 87-5

No. 22

Re: Request for Information: Eleventh Amendment

Dear Ms. Schrader:

We welcome the opportunity to respond to the Copyright Office's "request for information" for your study on state immunity from copyright liability under the Eleventh Amendment. We hope that these brief comments about practical problems we would expect to face will be helpful to you.

Houghton Mifflin Company is a publicly held, independent and major publisher of instructional materials for schools and colleges, books for the general reading public, dictionaries and other reference materials, and computer software. We take seriously our responsibilities in playing a key role in the creation and availability of our nation's cultural resources. This is especially true in the area of educational publishing where we dedicate our resources to developing new instructional materials of the highest possible quality for use in schools and universities. We take pride in the fact that our success in this area is due in a large part to our recognition of the contributions of authors and our ability to work in concert with them for our mutual benefit.

Educational publishing is an important part of our total business. As shown in our corporate annual report for 1986, 84.1% of our net sales were from sales of textbooks and other educational materials. During 1987, we registered the copyrights to over 400 new materials published for instructional use. In view of the fact that the Department of Education reported in its February 1987 Bulletin that 77.4% of the university and graduate students in this country attend state run institutions, we are sure you will recognize how critical it would be should state institutions be deemed immune from copyright infringement liability. They represent a major market for us.

We have great concerns about the possible widespread use of sovereign immunity from claims of infringement of copyright and from our

ability to obtain remedies for such infringement. These concerns go far beyond the obvious and significant loss of market for products. We are convinced that if states, including state-run universities and by extension state-related elementary and secondary schools, can freely copy or reproduce our copyrighted materials, there will be no effective recourse for us.

It is unrealistic to assume that publishers of educational materials, whether they be acting independently or collectively, would have the resources to file numerous suits for damages from infringement. In fact, it is our understanding that should sovereign immunity prevail, there would be no "infringement basis" on which we could file suit. We believe, rather, that publishers would be forced to discontinue publishing for these markets. While it might be impractical for some states to reproduce expensive four-color materials now being provided by commercial publishers, it would not be at all prohibitive for them to reproduce in necessary quantities such items as workbooks, test banks, study guides, and testing materials such as answer sheets and question booklets. These are often now printed in one or two colors, are often consummable materials, and are in great demand by classroom teachers.

Briefly, the negative results, should commercial publishers be forced to discontinue publishing such materials, would be:

1. In the highly competitive market for instructional materials, publishers invest heavily in quality paper, four-color printing, substantial bindings, and other expensive manufacturing processes in order to present their products as favorably as possible. This is possible because of the size of the nation-wide market. Should a significant number of states fragment that market by producing copies for their own use, such investments would not be economically feasible. Visual quality, durability, and other standardization criteria established by the states' adoption directors would suffer.
2. Classroom teachers, who now have a broad variety of commercially published programs of instructions to choose from, would no longer have the opportunity to select materials they feel most appropriate for their students. If the publishers' materials were not easily reproducible, teachers would be handicapped by being forced to find alternate, less familiar materials.
3. There would be a loss of opportunity to be published and to earn royalty income for authors of instructional materials. Clearly, unauthorized copying by states would not produce revenue from which publishers pay royalties to authors. Many textbook authors are primarily classroom teachers, and this royalty income is a valuable supplement to their salaries. This raises an interesting question about the reactions of authors who teach at state universities but who would not be able to use their own books as they were originally published.

4. Finally, students would be required to learn using inferior materials and, as a result, the nation's long-term objective of national education growth would inevitably suffer.

We have been much encouraged during the years since the effective date of our current copyright law by the increased recognition of the exclusive rights of owners of copyright in the educational community. Our permissions departments are experiencing an increasing level of awareness of these rights as shown by more and more classroom teachers expressing the need to have permission to copy in writing, by the increased frequency with which commercial copy shops request permission to reproduce materials for educators, and by a general acceptance of copyright clearing organizations. We find it hypocritical that states, which in so many other ways observe the copyright law, would be able to disregard the exclusive rights of owners should they adopt a position of sovereign immunity as in the cases currently in litigation.

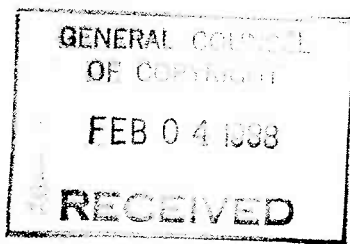
We hope these comments will be helpful in considering a remedy for the far-reaching and long-term impact on the rights of copyright holders should the states be allowed to establish a position which puts them beyond the reach of those whose constitutional rights are being so openly violated. Please let me know if I can be of further assistance.

Sincerely,

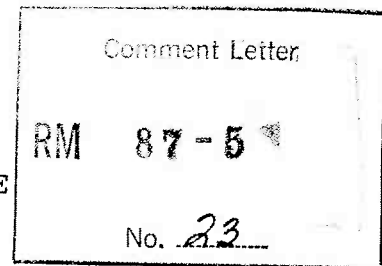


Charles A. Butts, Director  
Legal Administration and  
External Relations

CAB:fs



Before the  
UNITED STATES COPYRIGHT OFFICE  
Washington, D.C.



In the Matter of:

REQUEST FOR INFORMATION,  
ELEVENTH AMENDMENT

Docket No. RI 87-5

COMMENTS OF THE  
AMERICAN SOCIETY OF COMPOSERS,  
AUTHORS AND PUBLISHERS

The American Society of Composers, Authors and Publishers ("ASCAP") files these comments in response to the Copyright Office's Request for Information concerning the issue of states' Eleventh Amendment immunity from suit for money damages in copyright infringement cases. 52 Fed. Reg. 42,045 (November 2, 1987).

INTRODUCTION

We believe that sound public policy and the 1976 Copyright Act both support the concept of full state liability for money damages for copyright infringement, to the same extent as all other infringers of copyrights are liable.<sup>1</sup>

<sup>1</sup> We recognize, of course, that the 1976 Copyright Act contains exemptions and compulsory licenses for certain state uses of copyrighted works. See, e.g., 17 U.S.C. §110(6) (exemption for state fairs); §118 (compulsory license for public broadcasting)  
(footnote continued)

The Copyright Office asked for comments in three specific areas:

1. "The practical problems relative to the enforcement of copyright against state governments";
2. "The presence, if any, of unfair copyright or business practices vis a vis state governments with respect to copyright issues"; and
3. "The legal interpretation of Eleventh Amendment immunity in copyright infringement cases."

As to the third area, ASCAP has filed amicus briefs with other interested parties, in several of the recent cases mentioned in the Request for Information. One of the parties with whom we joined, the National Music Publishers Association ("NMPA"), is filing comments specifically addressing the legal interpretation of Eleventh Amendment immunity in copyright infringement cases. NMPA's comments reiterate the legal position set forth in our joint amicus briefs. We support those comments and, to avoid duplication, refrain from stating them here.

We shall address the first two issues raised by the Request for Information from the perspective of ASCAP's experience in licensing state uses of copyrighted music. First, a brief description, for the record, of ASCAP and its licensing

---

(footnote continued from previous page)  
entities). While we do not believe that such exemptions or compulsory licenses can be justified as matters of public policy, Congress has decided otherwise and we do not argue here against them. Our comments are confined solely to the issue of Eleventh Amendment immunity.



operations is in order, although we know that this is very familiar ground for the Copyright Office.

#### ASCAP AND ITS LICENSING OPERATIONS

ASCAP is an unincorporated membership association of approximately 40,000 writers and publishers of copyrighted music. On behalf of its members, ASCAP licenses the right of nondramatic public performance of their copyrighted music. ASCAP does so through nonexclusive, blanket license agreements. All the license fees collected by virtue of these licenses are distributed to the members, after deduction of operating expenses and payments to affiliated foreign performing rights societies. Distributions are based on a scientifically designed survey of performances. For a fuller description, see, BMI v. CBS, 441 U.S. 1 (1979).

ASCAP licenses all of the many different types of nondramatic public performances of copyrighted musical compositions. Licensed users include radio and television broadcasters, cable services, bars, grills, taverns, restaurants, nightclubs, hotels and motels, background music operators and their subscribers, colleges and universities, skating rinks, concert promoters and halls, public and private recreational facilities, theme and amusement parks, and many others.

In many cases, license agreements are negotiated with representatives of the user industry being licensed (e.g., trade associations). In every case, ASCAP does not have the final word

in establishing a license fee. Rather, under the terms of the Amended Final Judgment in United States v. ASCAP, Civ. Action No. 13-95 (S.D.N.Y. March 14, 1950), any user who believes the fee quoted by ASCAP is unreasonable may petition the Court for a determination of reasonable license fees. Further, under that Judgment, ASCAP may not discriminate in license fees, terms or conditions, among users who are similarly situated.

#### ASCAP'S LICENSING OF STATES

ASCAP has licensed public performances of its members' copyrighted music by states for many years. These performances fall into three groups:

1. Colleges and universities:

Following enactment of the 1976 Copyright Act, ASCAP negotiated terms of college and university license agreements with an Educational Task Force representing many college and university groups, and led by the American Council on Education; these agreements have been renegotiated several times over the past decade. There are three types of agreements, each designed for schools with different types of music use, and each of which is offered to all schools:

The one-tier license calls for payment of a single annual license fee based upon the number of full-time equivalent students enrolled. The two-tier license bases the fee on two factors: a per-student fee which is lower than that of the one-tier license, plus a fee for each concert presented where the

performers are paid more than a specified amount. (The fee for each such concert is based upon the seating capacity and highest ticket price.) The minimal user license prices the school's music uses at the same rates charged other, non-school users, for such uses.

Obviously, many colleges and universities are state-run. Approximately 2,100 colleges and universities hold ASCAP licenses.<sup>2</sup> Of these, according to the College Fact Book, approximately 870 licenses are with state institutions.

2. Public broadcasting entities:

Pursuant to 17 U.S.C §118, public broadcasting entities -- noncommercial educational television and radio broadcasting stations -- are entitled to a compulsory license for their nondramatic public performances of copyrighted music. In 1978, the Copyright Royalty Tribunal determined the license fees to be paid to ASCAP by these entities. 43 Fed. Reg. 25,068 (June 8, 1978). In 1982, and again in 1987, ASCAP reached a voluntary agreement with the Public Broadcasting Service ("PBS") and National Public Radio ("NPR") for performances by PBS, NPR and their member stations. In addition, the Tribunal has set compulsory license fees for certain very small, non-NPR noncommercial educational radio stations, to be paid to ASCAP for those stations' performances of works in the ASCAP repertory. 47 Fed. Reg. 57,923 (December 12, 1982); 52 Fed. Reg. 49,010 (December 29, 1987).

---

<sup>2</sup> In some circumstances, a single license with a school may cover several campuses.

Many of the noncommercial educational broadcasting stations covered by the ASCAP-PBS-NPR voluntary license are operated by state entities: For example, according to the Corporation for Public Broadcasting's 1985-1986 Public Broadcasting Directory, 117 noncommercial educational television broadcasting stations were licensed by the FCC to state entities; another 64 were licensed to state colleges or universities; thus, a total of 181 noncommercial educational television stations are run by states or state schools. Many noncommercial educational radio stations (whether NPR members or not) are also run by states or state schools.

3. General licenses:

Various other state entities also perform copyrighted music. These include: concert performances sponsored by state agencies; live and mechanical music at state park facilities; mechanical music used in state office facilities; and uses at state correctional facilities. When such users are found, ASCAP contacts the appropriate state agencies and attempts to license the performances in accordance with applicable license agreements and rate schedules. As is true of most users, it is rare that the user comes to ASCAP to request a license. Rather, ASCAP must seek out users and offer licenses. States are no exception to this rule.

\*

\*

\*

ASCAP's licensing of performances by state colleges and universities, and other state entities, generates about \$750

thousand annually. Because of the nature of our public broadcasting license agreement, which calls for a single fee for all uses by PBS, NPR and their member stations (the fee for the five year period 1988-1992 is \$13 million), there is no way to ascribe a dollar value to the licensing of state public broadcasting entities.

PRACTICAL PROBLEMS RELATIVE  
TO THE ENFORCEMENT OF  
COPYRIGHT AGAINST STATE  
GOVERNMENTS

---

Copyright being an intangible property right and public performances being evanescent, the licensing and enforcement of public performance rights is very difficult at best. Unlike print and recording rights in musical works, the performing right supplier furnishes no tangible "product" which can be withheld from an unlicensed user. The copyright owner of music cannot shut off the "supply" to those who perform without permission.

The only meaningful remedy available to the copyright owner of the performing right is the after-the-fact infringement action for monetary damages. It is just this sort of action which those arguing for Eleventh Amendment immunity seek to bar.

Although injunctive relief in suits against states remains available under the Eleventh Amendment in the absence of monetary damages, injunctive relief to protect the copyright in public performances of music would be complicated and costly. The utility and efficacy of licensing through ASCAP, for members and users alike, is premised on the collective, blanket licensing

of the entire repertory. ASCAP's members authorize ASCAP to bring infringement lawsuits in their names. ASCAP is not a party because it is not a copyright owner. ASCAP obtains evidence of infringement by monitoring the user's performances at a time that is, for all intents and purposes, chosen randomly. Thus, when an unlicensed user infringes and is required to pay monetary damages, the particular works involved in the lawsuit have appeared by happenstance: if the evidence of infringement which formed the basis for the lawsuit had been obtained at a different time, different works of different members would likely have been performed.

The monetary damages ASCAP recovers in such suits are not ascribed to the particular works or members involved; rather, the funds recovered go into ASCAP's general fund to defray the costs of licensing and litigating with infringers. When recoveries exceed these costs, the excess is distributed to the membership as a whole in accordance with ASCAP's distribution rules. In essence, then, each ASCAP member has authorized ASCAP to bring suit in his name, but for the benefit of the entire membership. When the infringing user pays monetary damages, those damages offset expenses and in part replace the licensing revenues the ASCAP membership as a whole has lost. The fact that monetary damages are recovered for the infringement of some songs rather than other songs, is fortuitous.

But if monetary damages cannot be recovered, and only injunctive relief is available, the situation changes radically.

The fact that particular works have been infringed, while the basis for the lawsuit, cannot be used to achieve the desired remedy: the court may award injunctive relief against future performances of only those particular works, or of only the works owned by the particular copyright owner, involved in the suit. To be certain of achieving the result of enjoining future performances of all works in the ASCAP repertory, a class action on behalf of all ASCAP members is necessary. ASCAP has, in appropriate instances, brought such class actions. They are, obviously, more complex procedurally, and hence more expensive to maintain.

Assuming that such injunctive relief were granted, enforcement would be more difficult than enforcing a judgment for monetary damages. When a judgment for monetary damages is ignored, execution is a simple matter. When an injunction is ignored, a motion for contempt would be necessary and would involve the additional expenses of proving performances after the injunction was granted.

In addition, it appears that the injunctive relief granted in such suits would be only against specific individuals, and not the state itself. There is therefore a further severe enforcement problem: if those specific individuals do not participate in further infringements by the state, the injunctive relief may be meaningless.

In sum, fulfilling Congressional intent in this area is relatively simple when monetary damages are available, but far

more complex and difficult when only injunctive relief is available. Experience teaches that if meaningful enforcement of copyright is not possible, licensing will fall by the wayside. It has been ASCAP's experience that the availability of monetary damages in an infringement action is a necessary condition for successful licensing.

THERE ARE NO UNFAIR COPYRIGHT  
OR BUSINESS PRACTICES BY ASCAP  
VIS A VIS STATE GOVERNMENTS  
WITH RESPECT TO COPYRIGHT ISSUES

ASCAP has had no complaints by state users of any "unfair" copyright or business practices. To a significant degree, ASCAP's operations are by definition "fair," as they are governed by the Amended Final Judgment in United States v. ASCAP. The Judgment's mechanism for Court determination of reasonable license fees, and guarantee of non-discrimination, forestall any possible "unfairness" in these crucial areas.

ASCAP also has a history of working with licensees to smooth out any differences and take into account the particular needs of particular users. An example in our licensing of state colleges and universities is on point:

During the term (1978-1979) of the first license agreement negotiated between ASCAP and the Educational Task Force, many state schools asked for modifications of the license agreement which would incorporate into the license certain statutory requirements that state bodies could not enter into contracts which: 1) did not provide for nondiscrimination on the



basis of race, creed, color, or national origin; or 2) ran beyond the fiscal year for which a state budget had been adopted.

To satisfy these state users' needs, ASCAP built into the college and university license agreements a specific provision which allowed for such modifications, and therefore not only acceded to these state schools' requests, but alerted other state schools to the issue.

No one can question the proposition that states ought to pay for every type of property they use and that copyrighted property is no exception. We have seen that monetary damages are an important inducement to compliance with the copyright law. It follows that states should be liable for monetary damages for copyright infringement.

CONCLUSION

We submit that Congressional intent is both clear and based on sound public policy: states are fully liable for monetary damages for copyright infringement. The Copyright Office should report to Congress that no state immunity from monetary damages for copyright infringement under the Eleventh Amendment exists or should exist.

Respectfully submitted,

AMERICAN SOCIETY OF COMPOSERS,  
AUTHORS AND PUBLISHERS

By:

*Bernard Korman / BML*  
Bernard Korman  
General Counsel  
ASCAP  
One Lincoln Plaza  
New York, NY 10023  
(212) 870-7510

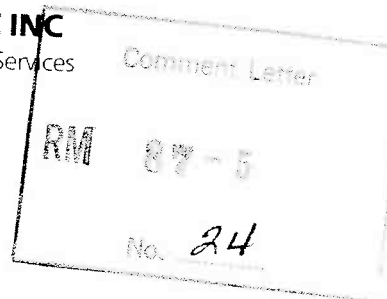
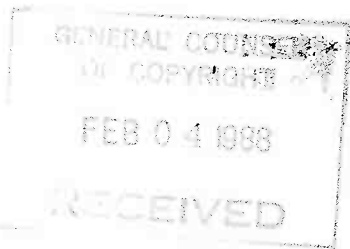
Of counsel: I. Fred Koenigsberg

Dated: February 1, 1988

INMAGIC INC  
Software and Services

Comment Letter

FEB 01 1988



January 29, 1988

Ms. Dorothy Schrader, General Counsel  
Office of the General Counsel  
U.S. Copyright Office  
James Madison Memorial Building  
Room 407  
First and Independence Avenues, SE  
Washington, D.C. 20559

Dear Ms. Schrader:

Inmagic Inc offers these comments in response to the Request for Information, Eleventh Amendment.

The matter of claims of immunity by states and state bodies against damages for infringement of copyrighted works is disturbing to us because we are a software company which actively sells to state governments and agencies plus state universities and colleges as well as local government bodies including school districts and public libraries.

We are a woman-owned and managed small business with customers across the United States and in over 40 other countries. A large part of our sales are to government bodies. Our plans for future years include a strong marketing campaign to state and local governments, building on our existing base of customers. If we have to take precautions to protect our copyrighted software and publications in those areas, we would have to repackage our software. We are not large enough to take those special steps to protect our software nor are we wealthy enough to spend long weeks in court, challenging possible copyright infringements of state governments. Not being able to sell to government bodies would effectively diminish our position in the marketplace.

So far, we have generally found state government customers responsive to our copyright needs. In turn, we try to be responsive to their needs for ease of use of our software program. For example, we do not copy-protect our programs which makes INMAGIC straightforward to install and use, but also easy to copy illegally. We monitor usage of our products through the use of serial numbers on each disk.

2067 Massachusetts Ave., Cambridge, MA 02140-1338 (617) 661-8124 Telex 709543

INMAGIC is a registered service mark

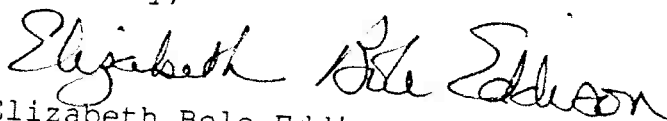
Our software comes with a 300 page print product, the INMAGIC Manual, which carries our copyright statement. We also have other print products, related to our software, which carry our copyright statement.

We have always assumed that everyone in the United States, including the states and their subdivisions and agencies, is subject to the copyright law. How can someone working for a state agency break a copyright law in the office and then observe it out of the office? For example, the offices of the attorneys-general of both the United States and Canada are users of our products, as are the attorneys-general of three of the 50 states. Some 35 % of state universities are users of our products.

We believe that small businesses are entitled to copyright protection as much as individuals and large companies. We are members of the Information Industry Association and we join in the legal views expressed by the Information Industry Association in friend of the court briefs filed in Virginia and California. The implications of this trend are widespread and potentially harmful to much of the country. We believe that the plaintiffs should prevail on the merits of this issue.

We hope that these comments contribute to the thinking on this topic. We will be happy to answer any questions that we can on our views as presented in this letter.

Sincerely,



Elizabeth Bole Eddison  
Chairman



2067 Massachusetts Ave., Cambridge, MA 02140-1338 (617) 661-8124 Telex 709543

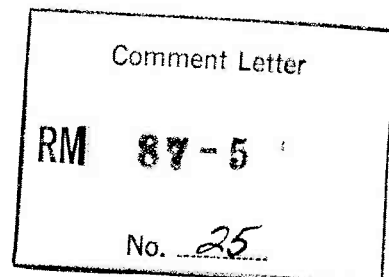
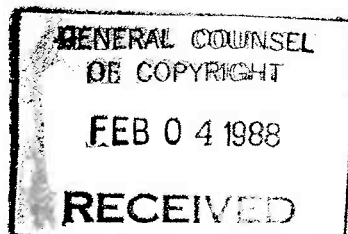
INMAGIC\* is a registered service mark



INFORMATION SERVICES, INC.  
3460 Hillview Avenue  
Palo Alto, CA 94304  
(415) 858-2700 TELEX 334499

January 29, 1988

Dorothy Schrader, Esq.  
Office of the General Counsel  
Copyright Office  
Library of Congress  
Department 100  
Washington, D.C. 20559



Dear Ms. Schrader:

This letter is in response to the Copyright Office's Request for Information of November 2, 1987 regarding state claims of Eleventh amendment immunity from suit for money damages in copyright infringement cases. Dialog Information Services, Inc., a wholly owned subsidiary of the Lockheed Corporation, appreciates the opportunity to comment on this issue which we view as critically important to our industry and company.

Dialog, which pioneered online electronic database systems in 1972, is currently the world's largest electronic purveyor of reference materials. Our databases provide both full text and bibliographic materials to approximately 80,000 customers in eighty countries throughout the world. Approximately 20,000 of our customers are state governments and their instrumentalities accounting for a substantial portion of our revenues and a substantial portion of the amounts we pay to our database providers.

Although we are copyright proprietors of some materials, the vast majority of our over 300 databases are privately produced and copyrighted by proprietors who license these materials to us for distribution through our system. Our concerns arise not only out of the direct impact of this issue on our business but also on its affect on our suppliers, large and small.

We have little doubt that if states were immune from suit for damages for infringement of copyrighted materials there would be at least the following serious consequences:

1. Domestic and foreign database owners which license materials to us would prohibit us from providing our services to state governments and their instrumentalities.
2. The absence of revenue from state customers would cause several of our databases to be dropped as they would no longer be economically viable.
3. States and their instrumentalities could be in a position to effectively disseminate our remaining databases to third parties free of compensation to us and our suppliers, with devastating impact.

A perhaps less significant but equally telling example of the impact that would result from state immunity relates to our own copyrighted Classroom Instruction Program ("CIP"). We developed and sponsor CIP for use in library schools to aid in the instruction of future online searchers. This educational outreach program trickles down to secondary and even primary schools throughout the U.S. We have priced it on a cost-recovery basis as our way of investing in educational institutions to aid both computer and searching literacy for future generations. Needless to say if we could not even recover our costs due to free reproduction by states and their instrumentalities we would have little incentive to pursue such activities. No doubt there are other copyright proprietors similarly situated.

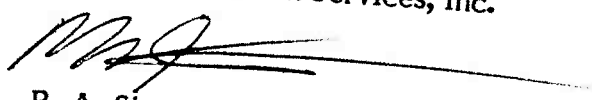
In regard to that portion of the Request for Information which refers to unfair copyright or business practices vis-a-vis state governments with respect to copyright issues, we know of none. If that query relates to the earlier reference to allegations of "undue pressure on state governments" to pay for uses which may be fair use or otherwise permitted it seems to us that the shoe is likely to be on the other foot. Particularly as to electronic database uses, it is almost impossible to trace unauthorized reproduction of copyrighted materials which the users may -- often quite subjectively -- deem to be fair use or otherwise privileged.

I recall no occasion in the last six years when any customer has informed us of a use which they considered to be fair use or subject to some exemption and we have insisted that it was not. Indeed we rarely receive any information about allegedly exempted uses even though our customer contracts invite written requests for waivers of copyright restrictions which we or our database suppliers will grant in appropriate circumstances.

I would like to note that as members of the Information Industry Association we support the legal views expressed in its amicus briefs filed in Virginia and California. There appears to us to be no justification whatsoever, legal or economic, for reversing the Congressional assumption, (based on its powers under Article I Section 8 of the Constitution), that states and their instrumentalities are equally subject to copyright law as are the Federal government, its instrumentalities and all private persons and entities.

We would be happy to respond to further inquiries on these matters from you or your staff.

Sincerely yours,  
Dialog Information Services, Inc.

  
R. A. Simons  
Dialog Company Counsel

cc: Edward Klagsbrun, Esq.

RAS/ecm

AMERICAN JOURNAL OF NURSING COMPANY  
555 WEST 57TH STREET · NEW YORK, NEW YORK 10019 · (212) 582-8820

FEB 01 1988

OFFICE OF THE PRESIDENT

January 28, 1988

Office of the General Counsel  
Copyright Office  
Library of Congress  
Department 100  
Washington, D.C. 20559

GENERAL COUNSEL  
OF COPYRIGHT

FEB 04 1988

RECEIVED

Comment Letter

RM 87-5

No. 26

Re: Request for Information, Eleventh Amendment

Gentlemen:

This letter is in response to your Request for Information, published in the Federal Register on November 2, 1987, concerning states' Eleventh Amendment immunity from suit for money damages in copyright infringement cases. You have asked for comments, views, and information on practical problems faced by copyright proprietors who attempt to enforce their claims of copyright infringement against state government infringers. The American Journal of Nursing Company has first-hand experience of infringement by state agencies and of copyright owners' impotence under the current statutory scheme.

Besides the journal for which it is named and five other nursing periodicals, the American Journal of Nursing Company publishes a broad range of educational materials for nursing board review courses as well as for patient education and continuing nursing education. Last year, the company learned that a Minnesota nursing home associated with the Minnesota Department of Human Services was infringing the company's copyrights. The nursing home was operating a so-called "information center", copying our materials and those of our competitors and offering them for sale for a fee.

We alerted our competitors and sought legal counsel. We were informed that under current law we could not seek damages for infringement of our copyright because the "information center" would be considered a state agency and hence be immune from suit under the Eleventh Amendment.

Furthermore, though we might be able to obtain an injunction against future infringement, there was no prospect of recovering any of the costs or attorney's fees we would incur in stopping the infringement. We did not have the budget to support such litigation and we were compelled to abandon the matter. Many other publishers of educational materials find themselves in the same position.

We have recently learned from a competitor that a local hospital association in California has set up a free membership "lending library" which is engaged in wholesale copying of our materials and those of our competitors. Clearly the pattern is repeating itself. For all we know, this type of activity is occurring at state-affiliated institutions all over the country. We are convinced that institutions like these have been encouraged to engage in this illegal activity by recent court rulings which accord immunity to the infringers. We are equally convinced that only a measured statutory response to this situation can save our company and others like it from extensive, nationwide damage to their copyright interests. State agencies constitute a significant part of our market: state universities and nursing schools, hospitals, nursing homes, etc.

We are advised that in order for a federal statute to abrogate Eleventh Amendment immunity and provide a damages remedy against the states, there must be unmistakable language in the statute itself making it clear that the statute applies to the states. As recently as 1979 it was held that the language of the 1909 Copyright Act was sweeping and without apparent limitation, suggesting that Congress intended to include the states within the class of defendants covered by the Act. Mills Music, Inc. v. State of Arizona, 591 F.2d 1278, 1285 (9th Cir. 1979). The Mills case also recognized that in promoting the Arizona state fair the state agency was engaging in what was essentially commercial activity, that the award in the case was not so large as to interfere with the state's budget, and that an award of costs and attorney's fees under the Act was permissible. Id. at 1286, 1287. The state agency "copy mills" about which we are complaining are clearly engaging in commercial activities.

Cases decided subsequent to the Supreme Court's decision in Atascadero State Hosp. v. Scanlon, 473 U.S. 234 (1985) have called the Mills case into question in an unfortunate way. The Atascadero case held that section 504 of the Rehabilitation Act of 1973, passed under section 5 of the Fourteenth Amendment, did not permit a handicap



discrimination suit against a state agency because the intent to subject the states to suit for damages was not stated specifically in the statute. 105 S.Ct. at 3149.

As a result of Atascadero, the 1976 Copyright Act, which is as sweeping in its language as the 1909 Act, is no longer considered to include the states as defendants because the intention to do so is not stated expressly on the face of the statute. See, e.g., B.V. Engineering v. University of - California, 3 USPQ 2d 1054 (C.D. Ca 1987). We are advised that one court has even held that, after Atascadero, only federal statutes passed under section 5 of the Fourteenth Amendment can abrogate the states' Eleventh Amendment immunity from suit. Richard Anderson Photography, Inc. v. Radford University, 633 F. Supp. 1154 (W.D. Va. 1986).

Under the Richard Anderson rationale, Congress would be forever prevented from passing legislation to grant relief to copyright owners injured by state agency infringement of their copyrights because the Copyright Act is authorized by Article I, Section 8, of the Constitution. Fortunately, the Seventh Circuit Court of Appeals has rejected such an analysis out of hand, concluding that there is no constitutionally significant way of distinguishing between the Article I and Fourteenth Amendment grants of plenary power and that the Congress may create a cause of action for money damages against an unconsenting state under either grant of power. Matter of McVey Trucking, Inc., 812 F.2d 311 (7th Cir. 1987).

It is clear that under the Copyright Act in its present form, copyright holders such as ourselves have no meaningful remedy in damages against state agencies which infringe their copyrights. Even though they can seek an injunction against further infringement, Edelman v. Jordan, 415 U.S. 651 (1964), copyright owners would be precluded from recovering costs or attorney's fees on the same grounds that forbid recovery of damages, because payment of the costs and attorney's fees would have to come from the general revenues of the state. Educational publishers with limited budgets are at a particular disadvantage. This is a limited and not particularly lucrative market, but a very important one to the future of this country. After McVey, it is clear that Congress has the power to remedy this situation by an amendment to the Copyright Act.

Accordingly, section 501(a) of Title 17 of the Code should first be amended to provide expressly that states and

state agencies are covered by the Copyright Act. Recognizing that the public interest may not permit subjecting state treasuries to suits for damages and lost profits unlimited in amount, we recommend that the Section 504(c) statutory damages provisions alone be made applicable to the states. The states' budgetary authorities would then have a measurable contingency upon which to base their financial projections, and a definable cost to assign to agencies' illegal conduct.

As we noted earlier, we decided to abandon our own efforts to enjoin a state infringer's illegal activities because we could not have recovered the costs and attorney's fees which we would have incurred. If Congress concludes that the public interest will not permit an action for damages, there should at least be an amendment to permit the recovery of costs and attorney's fees incurred in seeking an injunction.

It is plain that something must be done to remedy this situation. The number of state agencies and institutions nationwide which could infringe our copyrights with impunity is legion, yet an infringement action against even one infringer would impose a serious financial burden upon us. If nothing is done, we foresee a vast potential for dilution of rights we thought were secured to us by the Constitution, with no prospect of any remedy. It is grossly inequitable for private organizations, competing in the marketplace to produce high quality educational resources, to have their materials stolen by state governments with the tax base to afford them.

We see no reason why these state agencies and institutions should continue to profit at our expense. Congress has the power to remedy this situation and should act to secure our constitutional rights.

Very truly yours,

THE AMERICAN JOURNAL OF  
NURSING COMPANY

  
Thelma M. Schorr, President

SCHWAB GOLDBERG PRICE & DANNAY

ATTORNEYS AT LAW

1185 AVENUE OF THE AMERICAS

NEW YORK, N. Y. 10036

(212) 575-8150

MORTON DAVID GOLDBERG  
DAVID E. SCHWAB II \*  
RICHARD DANNAY  
MORTON L. PRICE

JUNE M. BESEK  
JOHN F. BURLEIGH

\*ALSO ADMITTED IN FLA.

GENERAL COUNSEL  
OF COPYRIGHT

FEB 04 1988

RECEIVED

CABLE ADDRESS:  
NOMOSUS NEW

FACSIMILE  
(212) 719-5276

January 29, 1988

Dorothy M. Schrader, Esq.  
General Counsel  
Department 100  
Copyright Office - Room 407  
James Madison Memorial Building  
First Street and Independence  
Avenue, S.E.  
Washington, D.C. 20540

Comment Letter

RM 87-5

No. 27

Re: Request for Information,  
Eleventh Amendment, 52 Fed. Reg.  
42,045-46 (Nov. 2, 1987)

Dear Ms. Schrader:

The Information Industry Association ("IIA") appreciates the opportunity to respond to the Copyright Office's Request for Information on Eleventh Amendment immunity claims, and as its Proprietary Rights Counsel, we submit herewith ten copies of the IIA's comments.

The IIA is a broad-based trade association, representing over 600 companies which pursue business opportunities associated with the creation, distribution and use of information. IIA companies offer computer software, databases and other copyrighted works in the marketplace. Many IIA companies derive substantial revenue from

Office of General Counsel  
January 29, 1988  
Page 2

transactions with state governments and related entities, such as schools, libraries and administrative agencies. The IIA therefore has a vital interest in this matter.

We have divided our comments into three sections. Section I discusses the legal interpretation of claims of Eleventh Amendment immunity in copyright infringement cases. Section II discusses the nature of the dealings of IIA members with state governments and related entities, and the problems they would face if states were immune from suit for copyright infringement. Finally, section III discusses potential international implications of state immunity.

I. THE ELEVENTH AMENDMENT DOES NOT IMMUNIZE STATES FROM SUIT FOR COPYRIGHT INFRINGEMENT

A. Congress Has the Power to Abrogate State Immunity When Acting Pursuant to the Copyright Clause

The Copyright and Patent Clause of the Constitution provides:

The Congress shall have Power . . .  
To promote the Progress of Science and  
useful Arts, by securing for limited  
Times to Authors and Inventors the  
exclusive Right to their respective  
Writings and Discoveries.

Office of General Counsel  
January 29, 1988  
Page 3

U.S. Const., art. I, §8, cl. 8.

The Eleventh Amendment to the Constitution provides:

The Judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by Citizens of another State, or by Citizens or Subjects of any Foreign State.

Nevertheless, the states may waive their Eleventh Amendment immunity from suit in federal court, or Congress may abrogate it when acting "pursuant to a valid exercise of power." Green v. Mansour, 474 U.S. 64, 68 (1985).

The Supreme Court has recognized the power of Congress to abrogate state immunity when acting pursuant to the Fourteenth Amendment. Fitzpatrick v. Bitzer, 427 U.S. 445, 456 (1976). The Court has never indicated that this Congressional power is limited to situations where Congress acts pursuant to the Fourteenth Amendment, but has not directly addressed the question whether Congress may abrogate state immunity when acting pursuant to its Article I powers. See, e.g., Welch v. Texas Dept. of Highways & Public Transportation, 107 S. Ct. 2941, 2946-47 (1987);

Office of General Counsel  
January 29, 1988  
Page 4

County of Oneida v. Oneida Indian Nation, 470 U.S. 226, 252 (1985).

There is no difference in principle between Congressional power under Article I and that under the Fourteenth Amendment, particularly in the case of copyright, since the Copyright Clause authorizes Congress to create exclusive rights analogous to the fundamental rights protected by the Fourteenth Amendment. Indeed, federal courts of appeals -- applying the Supreme Court's reasoning in Fitzpatrick and other cases -- have held that Congress can abrogate states' Eleventh Amendment immunity in exercising any of its plenary powers granted in the Constitution, including those in Article I. E.g., United States v. Union Gas Co., 832 F.2d 1343 (3d Cir. 1987); In re McVey Trucking, Inc., 812 F.2d 311 (7th Cir.), cert. denied, 108 S. Ct. 227 (1987); see County of Monroe v. Florida, 678 F.2d 1124 (2d Cir. 1982), cert. denied, 459 U.S. 1104 (1983).

Thus, the precedent compels the conclusion that Congress, pursuant to the Copyright Clause of the Constitution, has the power to abrogate state immunity from suit for

Office of General Counsel  
January 29, 1988  
Page 5

copyright infringement. The central issue is whether, in enacting the Copyright Act, it did so.

B. In the Copyright Act, Congress Clearly Exercised Its Power to Abrogate State Immunity

In Mills Music, Inc. v. Arizona, 591 F.2d 1278 (9th Cir. 1979), the Ninth Circuit held that Congress, in enacting the 1909 Copyright Act, subjected the states to damage suits for copyright infringement in federal courts. Accord Johnson v. University of Virginia, 606 F. Supp. 321 (D. Va. 1985). Recently, however, some courts have held otherwise. BV Engineering v. University of California, Los Angeles, 657 F. Supp. 1246 (C.D. Cal. 1987), appeal pending, No. 87-5920 (9th Cir.);<sup>1</sup> Mihalek Corp. v. Michigan, 595 F. Supp. 903 (E.D. Mich. 1984), aff'd on other grounds, 814 F.2d 290 (6th Cir.), cert. denied, 108 S. Ct. 503 (1987); Cardinal Industries, Inc. v. Anderson Parrish Associates, No. 83-1038-Civ-T-13 (M.D. Fla. Sept. 6, 1985), aff'd

---

<sup>1</sup>The IIA has joined with the American Association of Publishers (AAP) and the American Association of University Presses (AAUP) in filing an amici curiae brief in Radford, and with those same organizations as well as ADAPSO, the Computer Software and Services Industry Association, in filing an amici curiae brief in BV Engineering, urging that the decisions of the lower courts be reversed.

Office of General Counsel  
January 29, 1988  
Page 6

without opinion, 811 F.2d 609 (11th Cir.), cert. denied, 108 S. Ct. 88 (1987); Richard Anderson Photography v. Radford University<sup>2</sup>, 633 F. Supp. 1154 (W.D. Va. 1986), appeal pending, No. 87-1610 (4th Cir.); Woelfer v. Happy States of America, Inc., 626 F. Supp. 499 (N.D. Ill. 1985).

Several of these courts relied on the Supreme Court's decision in Atascadero State Hospital v. Scanlon, 473 U.S. 234 (1985), to reach their holding. In Atascadero -- a case which involved §504 of the Rehabilitation Act of 1973 (enacted pursuant to Congress' Fourteenth Amendment power), and not the Copyright Act -- the Court stated that "Congress may abrogate the States' constitutionally secured immunity from suit in federal court only by making its intention unmistakably clear in the language of the statute." 473 U.S. 242. According to those courts which have held that states are not subject to suits for copyright infringement, Congress did not make sufficiently clear in the Copyright Act its intention to abrogate states' immunity, and therefore infringement suits against unconsenting states in federal courts are barred.

---

<sup>2</sup>See note 1, supra.



Office of General Counsel  
January 29, 1988  
Page 7

We believe these recent decisions are erroneous. It is inappropriate to apply the stringent test of Atascadero in this context. As the court in Mills Music, supra, reasoned:

If Congress has acted pursuant to an expansive constitutional grant of authority such as the commerce clause . . . an intent to include states within the class of defendants should not be lightly inferred. But if the rationale for the rule of strict construction does not obtain, a less specific showing of congressional intent should suffice. Here, Congress has acted pursuant to the Copyright and Patent Clause to regulate the commercial disposition of a certain property right . . . . [T]he Copyright and Patent Clause is a specific grant of constitutional power that contains inherent limitations on state sovereignty.

591 F.2d at 1285.

In ratifying the Constitution, which contains a specific grant of power to Congress to provide for copyrights, the states recognized the power of the federal government to grant exclusive rights to copyright owners. As the Supreme Court recognized in Goldstein v. California, 412 U.S. 546, 560 (1973), in the context of its discussion of California's right to grant protection of unlimited duration to sound recordings: "[w]hen Congress grants an

Office of General Counsel  
January 29, 1988  
Page 8

exclusive right or monopoly, its effects are pervasive; no citizen or State may escape its reach" (emphasis added).

Nevertheless, even if Atascadero's stringent test were applied to the Copyright Act, the entire statutory scheme, its language and its history clearly demonstrate Congressional intent to subject the states to suit for copyright infringement.

1. The Statutory Scheme

The entire statutory scheme of the Copyright Act evidences Congressional intent to subject states to liability. Congress provided that federal courts shall have exclusive jurisdiction over suits for copyright infringement. 28 U.S.C. §1338(a). In enacting the Copyright Act of 1976, Congress granted to copyright owners certain exclusive rights, subject only to the specific exceptions set forth in the Act. §106. Congress also preempted state laws which "are equivalent to any of the exclusive rights within the general scope of copyright." 17 U.S.C. §301(a). Congress thus provided that the only way a copyright owner can obtain relief for infringement is an action in federal court. It did not confer concurrent jurisdiction on the state courts,

Office of General Counsel  
January 29, 1988  
Page 9

and it precluded states from passing legislation to permit aggrieved copyright owners to sue states -- or anyone else -- in state court.

In view of the federal courts' exclusive jurisdiction over copyright infringement actions, concluding that states are not subject to suit in federal court would leave the states free to infringe copyrighted works. There is no other forum where a copyright owner may seek damages for infringement from a state. It defies common sense to conclude that Congress granted "exclusive" rights to a copyright owner, and then undermined that exclusivity by permitting states to exercise all of those rights, without permission of -- or obligation to -- the copyright owner.

These circumstances clearly distinguish the Copyright Act from other contexts in which the issue of states' Eleventh Amendment immunity has arisen. Atascadero and its predecessor cases are, at bottom, jurisdictional holdings, addressing whether federal courts may hear particular claims against the states, or whether they must be heard in state courts. The situation here is different: if infringement suits against states may not be heard in federal court, they cannot be heard at all.

Office of General Counsel  
January 29, 1988  
Page 10

The existence of an alternative forum was clearly an important factor in Atascadero, where the Supreme Court stated:

Justice Brennan's dissent . . . argues that in the absence of jurisdiction in the federal courts, the States are "exemp[t] . . . from compliance with laws that bind every other legal actor in our Nation." . . . This claim wholly misconceives our federal system. As Justice Marshall has noted, "the issue is not the general immunity of the States from private suit . . . but merely the susceptibility of the States to suit before federal tribunals." . . . It denigrates the judges who serve on the state courts to suggest that they will not enforce the supreme law of the land.

473 U.S. at 239-40 n.2 (emphasis in original). See Employees of Dept. of Public Health & Welfare v. Department of Public Health & Welfare of Missouri, 411 U.S. 279, 287 (1973) (in upholding states' immunity from suit under the Fair Labor Standards Act, the Court indicated that it was not recognizing a "right without any remedy," since suit could be brought in "any court of competent jurisdiction").

Here, the issue is "the general immunity of the States," for states are claiming an exemption "from compliance with laws that bind every other legal actor in our

Office of General Counsel  
January 29, 1988  
Page 11

nation." If the states may claim immunity from suit for copyright infringement, copyright owners may indeed have a "right without any remedy."

2. The Language of the Copyright Act

The Copyright Act meets the stringent test set forth in Atascadero: Congress' intention to subject the states to suit for copyright infringement is "unmistakably clear in the language of the statute." 473 U.S. at 242.

The language of §501(a) is broadly inclusive. It states that "[a]nyone who violates any of the exclusive rights of the copyright owner . . . is an infringer of the copyright." The term "anyone" applies to individuals, corporations, nonprofit institutions, and even the federal government. See 28 U.S.C. §1498(b). In view of this broad language, it seems strange to conclude that Congress meant the states to be exempt from liability but did not so

Office of General Counsel  
January 29, 1988  
Page 12

state.<sup>3</sup> See Mills Music, supra (holding that the term "any person" in the 1909 Act includes the states); Johnson v. University of Virginia, supra, 606 F. Supp. at 324 (holding that the language of the 1976 Act is "at least as sweeping, and probably more sweeping" than that of the 1909 Act).

In fact, the balance of the Act evidences a clear intention to subject states to liability. For example, §118(d)(3) of the Copyright Act provides that "governmental bodies" (a term used throughout the copyright revision effort to include states<sup>4</sup>) that make a reproduction of a copyrighted transmission program and fail to destroy it within seven days "shall be deemed to have infringed."

---

<sup>3</sup> Nor is there a compelling governmental need for the states to infringe copyrights. When they need to acquire or use copyrighted materials, they can do so by paying the copyright owner, just as individuals, corporations, nonprofit institutions and even the federal government do. Congress specified in the Act those limited governmental needs which it deemed appropriate to satisfy without obligation under the Act.

<sup>4</sup> See, e.g., Copyright Law Revision, "Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law," House Comm. on the Judiciary, 87th Cong., 1st Sess. at 129-30 (Comm. Print July 1961).

Office of General Counsel  
January 29, 1988  
Page 13

The Copyright Act is replete with numerous exemptions granted to states or, more broadly, to governmental bodies, for specified activities. These exemptions would be wholly unnecessary had Congress not clearly intended the states and their instrumentalities to be subject to the Act.

For example, under §602(a) of the Act, importing copies or phonorecords of a work that have been acquired outside of the United States is an infringement if it is done without the copyright owner's authorization. However, the provision specifies that it is inapplicable to importation

under the authority or for the use of the Government of the United States or of any State or political subdivision of a State, but not including copies or phonorecords for use in schools, or copies of any audiovisual work imported for purposes other than archival use.

§602(a)(1) (emphasis added). It is clear that states are liable under the Act for unauthorized importation of copies of works acquired outside the U.S. for "use in schools" or of audiovisual works for "other than archival use," to which the exemption does not apply.

Office of General Counsel  
January 29, 1988  
Page 14

There are many other provisions that exempt specific state activities from liability. E.g., 17 U.S.C. §§110(1), (2), (6), (8); 112(b), (c), (d); 601(b)(3) (expired 1986); see §504(c)(2) (providing that the court "shall remit statutory damages" where the infringer was the employee of a library or nonprofit educational institution acting within the scope of his or her employment in the belief that the use of the copyrighted work was fair use). These exemptions would be meaningless if states were not otherwise fully subject to the provisions of the Act. Taken together, they confirm Congress' intent that, absent a specific exemption granted to the states for an otherwise infringing activity, they can be liable as copyright infringers under the Act just as anyone else can.

This conclusion is further reinforced by the legislative history, which plainly illustrates the understanding and intention of Congress that states and their instrumentalities would be liable under the Act for copyright infringement, absent a specific exemption. See, e.g., H.R. Rep. No. 1476, 94th Cong., 2d Sess. 163 (1976) ("House Report") (re: special provision on statutory damages for "innocent infringers" who are teachers, librarians, and archivists); House Report at 68-74 (guidelines for



Office of General Counsel  
January 29, 1988  
Page 15

educational use of copyrighted materials); Copyright Law Revision: Hearings on S.597, Before the Subcomm. on Patents, Trademarks and Copyrights, Senate Comm. on the Judiciary, 90th Cong., 1st Sess. at 625-27, 632-36 (1967) (re: the "state fair" exemption, §110(6)); id. at 1337-38 (re: educational retransmission).

The language and history of the Act lead inevitably to the conclusion that Congress carefully balanced the rights of copyright owners against the needs of the states, and provided for those needs in the limitations on copyright owners' rights set forth explicitly in the statute.<sup>5</sup> Thus, we suggest that it would be inappropriate for the Office, in its study and report, to recommend altering the existing Congressional balance under the Act between states' privileges and exemptions, and copyright owners' exclusive rights and remedies.

---

<sup>5</sup>In addition to the specific exemptions provided them under the Act, states and state entities often have the benefit of special discounts which publishers may provide to educational and other nonprofit institutions.

Office of General Counsel  
January 29, 1988  
Page 16

Moreover, under the Copyright Act the states themselves can, and do, hold and enforce copyrights. It has never been suggested -- indeed, it is inconceivable -- that Congress intended to allow states exploit the benefits of the system in enforcing their own copyrights, yet shield them from liability when they infringe the copyrights of others.

If the states are permitted to assert Eleventh Amendment immunity with respect to claims of copyright infringement, they might do the same with respect to claims of patent infringement, for the same reasoning would apply. If successful, states would then be able to make free use of patented products and processes as well as copyrighted works. Congress did not intend the patent system to permit states to enforce their patent rights (including the immensely valuable rights in the biotechnology developed in their universities), yet shield them from liability for patent infringement. Such an interpretation is wholly at odds with the basic premise of the Copyright and Patent Clause of the Constitution.

In sum, Congress clearly intended states to be subject to the Copyright Act. A contrary conclusion

Office of General Counsel  
January 29, 1988  
Page 17

necessarily requires one to assume that Congress intended to allow the states unlimited freedom to copy and use copyrighted works, thus undermining the comprehensive scheme of protection adopted in the Act. In view of the language and history of the Act, Congress' intention to subject the states to suit for infringement is unmistakable.

II. STATE IMMUNITY FROM SUIT FOR COPYRIGHT  
INFRINGEMENT WOULD HAVE A SERIOUS ADVERSE  
EFFECT ON THE MARKETS FOR MANY COPYRIGHTED  
WORKS, AND ON THE CONSTITUTIONAL INCENTIVE  
TO PRODUCE THOSE WORKS

---

A. Business Relationships with States Are Based on  
the Premise that States, Like Other Entities, Must  
Comply with the Copyright Act

---

State immunity from suit under the Copyright Act would adversely affect the markets for many copyrighted works, and be contrary to the longstanding premise -- on which both copyright owners and states have done business -- that states must comply with the Copyright Act, just as all other profit and not-for-profit entities must do, or be liable for infringement. States make extensive and systematic use of numerous copyrighted works, including texts and other books, plays, computer software, databases, films and advertising materials. See Note, "The

Office of General Counsel  
January 29, 1988  
Page 18

Applicability of Eleventh Amendment Immunity Under the Copyright Acts of 1909 and 1976," 36 Am. Univ. L. Rev. 163, 165 (1986). If there were state immunity, states and their instrumentalities could acquire one copy or subscription of a copyrighted work and copy or download it repeatedly at will, without payment. States would have little incentive to negotiate for a multiple copy rate or a site license. Indeed, the delivery of a single copy of software to a state could become, in effect, a site license to that state and all of its instrumentalities, with resultant loss of control by, and remuneration to, the copyright owner.<sup>6</sup>

Injunctions against individual state officials -- if they can be obtained -- are not an adequate remedy for infringement. Injunctions do not compensate copyright owners for past infringements of their works; at best, they can only prevent future ones. Infringing activity cannot be permitted to continue until, in each and every case, a violation is detected and an injunction sought and obtained.

---

<sup>6</sup>It is ironic that such conduct by a foreign government becomes a high trade priority for the U.S., as evidenced by the Section 301 (Trade Act) proceeding recently brought by the U.S. Trade Representative against Brazil.

Office of General Counsel  
January 29, 1988  
Page 19

The difficulty is compounded by the fact that computer software and databases are particularly susceptible to copying and other infringing uses which are difficult to detect.

Immunity would mean that, absent a detected infringement, states would have what amounts to a compulsory license under the copyright law for the exercise of all copyright owners' rights in all categories of works; and, unlike even the limited compulsory licenses which the statute provides, this state "compulsory license" would provide for no payment to the copyright owner. Moreover, most IIA members are small companies whose resources are meager compared to the size and resources of states and their instrumentalities, many of which are among the largest entities in the American economy, on a par with the Fortune 100, and indeed have greater revenues and expenditures than many foreign governments.

Contracts cannot necessarily be relied on to give copyright owners the protection they need. Books and many other copyrighted works are generally not sold pursuant to contracts. Moreover, if there were state immunity, it could be difficult to get a state to sign a contract based on

Office of General Counsel  
January 29, 1988  
Page 20

rights it does not respect. Even where a contract does exist, it could be difficult to enforce against a state. State immunity would undermine a major foundation of the relationship between copyright owners and states.

B. The Constitutional Incentives to Create and Disseminate New Works Would be Severely Impaired If States Were Permitted to Copy and Use Copyrighted Works Without Payment

If states were exempt from compliance with the Copyright Act, it would defeat the purpose that our copyright and patent systems were designed to serve. As the Supreme Court explained in Mazer v. Stein, 347 U.S. 201, 219 (1954):

The economic philosophy behind the clause empowering Congress to grant patents and copyrights is the conviction that encouragement of individual effort by personal gain is the best way to advance public welfare through the talents of authors and inventors in "Science and useful Arts."

Recently, in Harper & Row, Publishers, Inc. v. Nation Enterprises, 471 U.S. 539 (1985), the Court reaffirmed that the basic policy underlying the patent and copyright laws is: "'to motivate the creative activity of authors and inventors by the provision of a special reward . . . . The

Office of General Counsel  
January 29, 1988  
Page 21

monopoly created by copyright thus rewards the individual author in order to benefit the public.'" 471 U.S. at 546 (quoting Sony Corp. v. Universal City Studios, Inc., 464 U.S. 417, 429, 477 (1984)).

This policy would be defeated if authors could not enforce their copyrights against the states, for the incentives to create new works would be vastly diminished. Not only the authors would suffer, but the states themselves, for authors are unlikely to write -- or publishers to publish -- books or computer programs for use by states (including their schools or universities) if the prospect of return is uncertain.

States and state entities do not use solely off-the-shelf standard information products and services such as those at issue in BV Engineering. To a great extent, they use value-added, customized products and services. For example, Login Service, a Control Data subsidiary, offers a series of continually updated databases to be used by state and municipal managements in such important areas as downtown revitalization, local ordinances, street maintenance, and solid waste management. State and city managers and

Office of General Counsel  
January 29, 1988  
Page 22

their staffs are not just an ancillary market for such databases, they are the market.

For such targeted products and services, success of a sovereign immunity claim would be ruinous, for it could remove the right to receive a return on the costs of creation needed to continue such products and services. If compliance with the copyright law were not required of the states and multiple subscriptions and site licenses disappeared, at best only those works that could make a profit with a very few one-time sales -- at a very high price -- would survive. At worst, private risk capital would simply abandon any attempt to serve such state and local markets, and invest instead in more profitable fields (with stable and consistent rules for business dealings), of which there are many. Neither outcome is in the long-run interests of the states, or of society generally.

Consider Project Einstein, a pioneering effort by Addison-Wesley to bring online database services to the public schools. Project Einstein provides software with special educational features to allow easy introductory use of the Easynet commercial gateway service. Through Easynet, one can reach over 900 databases, almost one-third of all



Office of General Counsel  
January 29, 1988  
Page 23

databases available in the U.S. If the educational users of such services had no obligation to pay for them, the services might not be provided, and the students would be denied the benefit of them. Similarly, vendors putting risk capital into intelligent front-end systems -- the first steps toward expert systems and artificial intelligence -- would have to reconsider plans to make any commitment to the educational market.

Let us consider another example: library reference materials, which can appear not only in traditional hardbound form or on microfiche, but also in the form of compact disk/read-only memory (CD-ROM). Technological advances continue to drive down the prices for this emerging new technology, but loss of a significant market could reduce that effect, and retard the introduction of the technology on any broad-scale basis. If the heart of the reference market -- public and state university libraries -- were cut out, it could forestall the development of CD-ROM into a commercially successful high-technology medium for delivering information.

Not only would product development be affected adversely; so would marketing practices. Some proprietors

Office of General Counsel  
January 29, 1988  
Page 24

may have to market their products differently to the state sector than to the general public, resulting in substantially increased marketing costs. Success of sovereign immunity claims could so change the marketplace that some proprietors would be forced to rely only on trade secret protection, which they could enforce, rather than copyrights, which they could not. But reliance on trade secret protection would mean reliance solely on a cumbersome and expensive administrative apparatus, complex and uncertain contractual arrangements, and differing state laws. Changes in marketing practices could result in more restricted access to certain types of copyrighted works, thus disserving the basic policy underlying our copyright law.

C. Free Use of Copyrighted Works by States Would Injure Copyright Owners in Multiple Ways

Unauthorized uses of copyrighted works would mean that copyright owners lose not only necessary revenues, but also their ties with the users of their works. Crucial market intelligence for certain types of copyrighted works, such as databases, would be lost. Information companies are no different in this respect than other businesses: they need the give-and-take with users to improve their offerings

Office of General Counsel  
January 29, 1988  
Page 25

and to plan for future product development. This interplay, critical to the private enterprise economy, cannot happen when there is no control over who their users are and when and where they make use of the product. Thus, many copyright owners would be deprived not only of the present rewards to which they are entitled, but also of the full opportunity to succeed in the future. Sovereign immunity would cut off the necessary feedback.

One possible consequence of state sovereign immunity might be that liability (and possibly substantial damage awards) could be imposed on an information provider -- regardless of fault -- for injury to a state entity that the company never authorized to use its work and from which it never received a penny in revenue. Cf. Brocklesby v. United States, 767 F.2d 1288 (9th Cir. 1985), cert. denied, 474 U.S. 1011 (1986) (court ruled that producer of aeronautical chart which accurately reproduced an error in FAA data could be held strictly liable for plane crash; judgment for \$12.8 million in damages upheld).

A sizable judgment could bankrupt many companies in the information business. The prospect of potential liability because of someone else's error is bad enough, but

Office of General Counsel  
January 29, 1988  
Page 26

if a company could be found liable -- and assessed damages -- in connection with a state's use of infringing copies or screen displays, it would be intolerable. There is no indication that states asserting immunity would forego claiming damages for any injury or loss, even though the use were illegitimate and the vendor was not permitted to provide appropriate update and other support services it may customarily provide to its authorized users.

Finally, state immunity raises the possibility that some states might mix the copyrighted contents of private databases with state works and provide the whole package under their own names as public domain products or services -- or, even worse, as state copyrighted services. Nothing in the immunity argument offered thus far precludes either of these possibilities; both would involve not only unlimited internal use, but also unlimited intrusion into the marketplace. States are entitled to claim copyright protection for certain works under the Act (e.g. books published by state university presses), but states must not be permitted to take advantage of the benefits of the Act

Office of General Counsel  
January 29, 1988  
Page 27

and at the same time abuse the rights of other authors with impunity.<sup>7</sup>

For certain categories of works (e.g. books published by state university presses), states are -- appropriately -- permitted copyright protection.

III. STATE IMMUNITY FROM SUIT FOR COPYRIGHT  
INFRINGEMENT WOULD HAVE SERIOUS IMPLICATIONS  
FOR U.S. INTERNATIONAL TREATY OBLIGATIONS

The Eleventh Amendment applies to foreign nationals as well as to U.S. citizens. If states were immune from copyright infringement suits by U.S. citizens, they would likely enjoy the same immunity from suits by foreigners. And if any such immunity permitted states to use works of foreign nationals without payment of royalties, the United States would be open to legitimate criticism from Universal Copyright Convention members for failing to ensure

---

<sup>7</sup> This proceeding comes at the time when state governments, both legislative and executive branches, are taking steps toward providing electronic access to state materials, which adds additional urgency to the need for a satisfactory clarification of copyright rights.

Office of General Counsel  
January 29, 1988  
Page 28

that works of their nationals receive adequate and effective protection in the U.S.<sup>8</sup>

State immunity could invite retaliation from aggrieved countries on other aspects of copyright protection, as well as reciprocal treatment on this specific point from other countries which have federal forms of government, such as Canada, Mexico, the Federal Republic of Germany, Switzerland, and Australia.<sup>9</sup>

---

<sup>8</sup>While the major international copyright conventions do permit limited compulsory licenses of copyrighted works, they do so only in narrowly defined circumstances and only upon payment of just compensation. See, e.g., Universal Copyright Convention (Paris text, 1971), art. V~~quater~~<sup>quater</sup>; Berne Convention for the Protection of Literary and Artistic Works (Paris Act, 1971), Appendix, Articles II, III, IV.

<sup>9</sup>Nor is it a matter of mere speculation that the unauthorized use of foreign copyrighted works by local governmental authorities can become a major trade irritant. U.S. copyright owners have been justly aggrieved at the unauthorized and uncompensated retransmission of broadcast signals by Canadian cable television systems, some of which are owned and operated by local governmental authorities. With considerable difficulty, the U.S. managed to get a Canadian commitment to end this practice included in the U.S.-Canada Free Trade Agreement, as submitted to Congress and Parliament for ratification (Article 2006, Retransmission Rights). For the U.S. then to permit states to do to Canadian copyright owners what Canadian government cable systems have done to U.S. copyright owners would undermine U.S. efforts to achieve effective protection for our intellectual property in other countries and to promote free trade.

Office of General Counsel  
January 29, 1988  
Page 29

The works of foreign governments themselves are commonly subject to copyright protection under their own laws; §104(b)(1) of the Copyright Act requires the U.S. to protect the works of "a national, domiciliary, or sovereign authority of a foreign nation" that belongs to a treaty with us. The unauthorized use of such works by our 50 states could be seen as an especial affront to foreign governments. Moreover, a perceived failure of the United States to live up to its own treaty obligations could seriously jeopardize current U.S. efforts to fight international piracy and improve protection abroad for U.S. copyrighted works, both in multilateral and bilateral negotiations.

#### Conclusion

Our copyright system reflects a careful balancing of the interests of authors and users. The Copyright Act itself sets out rights of copyright owners, and limitations on those rights, such as the fair use doctrine and numerous specific exemptions which reflect a particular concern for state uses of copyrighted works. State claims of immunity could destroy that careful balance and undermine the basic policy of the Copyright Clause of the Constitution of providing incentives for the creation of new works.

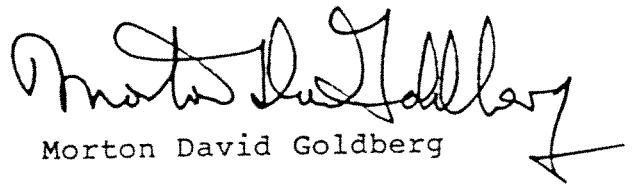
Office of General Counsel  
January 29, 1988  
Page 30

\* \* \* \* \*

Thank you for considering the IIA's views. The IIA appreciates the undertaking of the Office to provide the benefit of its expertise and study to the Congress on this most important matter, and its most welcome invitation to the public to provide comments.

Sincerely,

SCHWAB GOLDBERG PRICE & DANNAY

  
Morton David Goldberg

MDG:mj



*International Business Machines Corporation*

Office of the Vice President

GENERAL COUNSEL  
OF COPYRIGHT

FEB 04 1988

RECEIVED

Purchase, New York 1057

January 29, 1988

Comment Letter

RM 87-5

No. 28

Dorothy M. Schrader, Esq.  
General Counsel  
Copyright Office (Room 407)  
James Madison Memorial Building  
First Street and Independence  
Avenue, S. E.  
Washington, D.C. 20559

Re: Copyright Office Request for Information, Eleventh Amendment

Dear Ms. Schrader:

I enclose ten copies of this letter, in response to the Copyright Office Request for Information in the November 2, 1987 issue of the Federal Register (52 fed. Reg. 42,045-46), inviting comments on the issue of state claims of Eleventh Amendment immunity from suit for money damages in copyright infringement cases.

IBM appreciates this opportunity to comment to the Copyright Office. We are greatly concerned about effective copyright protection for computer programs and other copyrighted works. For this reason, we view the state claims of sovereign immunity against damages for copyright infringement as one of the most serious issues in domestic U.S. copyright policy today.

IBM makes a substantial investment in computer programs and other copyrighted works which are used in all sectors of our society -- including profit-making businesses, state and local governments, and educational institutions. If states were immune from damages for copyright infringement, a state government or university could acquire one authorized copy of a computer program or other copyrighted work, and then make multiple copies with no further payment. We usually rely on contractual protection. However, as a practical matter, such contracts may become difficult to enforce against states that believe underlying copyrights cannot be asserted against them.

Dorothy M. Schrader, Esq.  
January 29, 1988  
Page 2

State immunity would upset many business arrangements, which are based on the premise that states can be liable under the copyright law just as anyone else can. Moreover, to the extent that computer programs and other works are designed for state government or educational markets, state immunity could be a substantial disincentive for us to create specialized new works, because we would be uncertain whether we would receive a fair return on our investment. State immunity would thus disserve the basic policy underlying our copyright law. States as well as copyright owners would suffer.

It is not conceivable to us that Congress intended to permit states to use copyrighted works without any payment. The Copyright Act of 1976 and its legislative history clearly indicate that Congress intended to subject the states to liability under the Act for uses beyond those permitted by its terms. The Act is a careful balancing of the rights of copyright owners against the particular needs of governmental and educational institutions, as evidenced by the numerous special exemptions in the Act for such institutions. That balancing would have been wholly unnecessary had Congress intended that states not be subject to the Act.

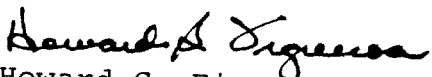
For these reasons, we view with grave concern the decisions in such recent cases as BV Engineering v. University of California, Los Angeles, 657 F. Supp 1246 (C.D. Cal. 1987), appeal pending, No., 87-5920 (9th Cir.) and Richard Anderson Photography v. Radford University, 633 F.Supp. 1154 (W.D. Va. 1986), appeal pending, No. 87-1610 (4th Cir.). We believe that unless the courts make it clear that the states are subject to suits for money damages under the Copyright Act, Congress should pass legislation to confirm what everyone has long assumed: that states, like all other for-profit and not-for-profit institutions -- even the federal government -- are subject to the copyright law.

We have reviewed the comments being submitted by the Information Industry Association, and we support the views expressed in those comments. We write separately, however, to provide additional comments from IBM's perspective and to emphasize our serious concern over the recent developments in this area.

Dorothy M. Schrader, Esq.  
January 29, 1988  
Page 3

Again, thank you for giving us the opportunity to comment. I hope that these comments will be of assistance to you in your study.

Very truly yours,

  
Howard G. Figueroa  
Vice President

/las

cc: J. W. Henderson, Jr.

Comment Letter

RM 87-5

No. 29

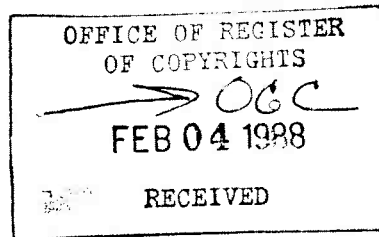
F&W Publications, Inc.

1507 Dana Avenue  
Cincinnati, Ohio 45206  
Phone 513 531-2222



January 29, 1988

Mr. Ralph Oman  
Register of Copyright  
Copyright Office  
Library of Congress  
Washington, D.C. 20559



Writer's Digest  
The Artist's Magazine  
Decorative Artist's Wor  
Writer's Digest Books  
North Light Books  
Writer's Digest Book Cl  
North Light Book Club  
Graphic Artist's Book Cl  
Writer's Digest School  
North Light Art School

Re: Economic value and enforceability of United States Copyright,  
Title 17 U.S.C., Public Law 94-553, 94th Congress, involving  
immunity by States of the United States, their political  
subdivisions, their employees, officers and officials.

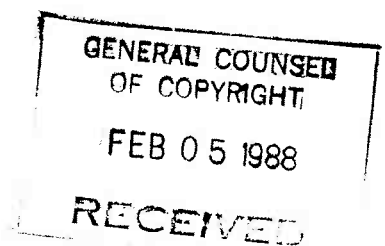
Dear Mr. Oman:

As publisher of the nation's leading magazines involving artists and writers,  
we are responding accordingly to your office request, pursuant to the  
Congressional Record.

For the record, it is the position of F&W Publications, Inc. that United  
States Copyrights are the lifeblood of our more than 1,000,000 readership.  
To continue to allow States of the United States immunity against our  
lifeblood can be described as high handed, at best, and totalitarian, at  
worst. The value and enforceability of copyrights is also the lifeblood of  
many industries. The list of which would be too numerous to name, but in  
round numbers, based on 1982 measurements, represents about 141 billion  
dollars, or about 4.6 percent of our Gross National Product.

To allow immunity to States of the United States towards the millions of  
valid copyrights possessed worldwide significantly diminishes the value of  
all copyrights and denies all copyright owners faced with state and their  
political subdivisions infringement no recourse to a suit for damages,  
profits and attorneys' fees. This flies in the face of our Constitutional  
Rights, Article I, Section 8, Clause 8 of the Constitution of the United  
States ("To promote the Capitol progress of Science and useful Arts, by  
securing for limited Time to Authors and Inventors the exclusive Right to  
their respective Writings and Discoveries").

Immediate action is required by our office to restore the economic value and  
enforceability of United States Copyrights. We will do everything we can to



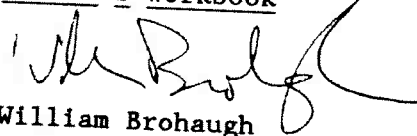
Mr. Ralph Oman  
Page 2  
January 29, 1988

make sure that our readership and the world-at-large is informed, and a request for action is demanded by your office. We stand ready to testify before the Congress of the United States, if necessary.

Cordially yours,



Jeffrey M. Lapin  
Publisher, Writer's Digest,  
The Artist's Magazine, Decorative  
Artist's Workbook



William Brohaugh  
Editor, Writer's Digest



Michael Ward  
Editor, The Artist's Magazine,  
Editorial Director, Decorative Artist's  
Workbook

cc: Robert Kastenmeier, Majority  
Subcommittee on Courts,  
Civil Liberties and the  
Administration of Justice

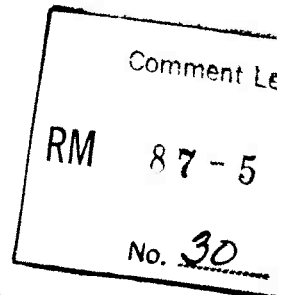
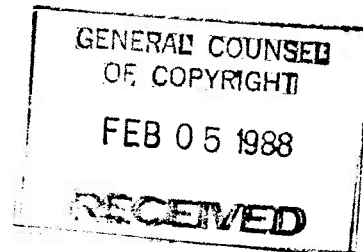
Carlos Moorhead, Minority  
Subcommittee on Courts,  
Civil Liberties and the  
Administration of Justice

# Houghton Mifflin Company

One Beacon Street, Boston, Massachusetts 02108  
(617) 725-5000 Cable HOUGHTON

January 29, 1988

Ralph Oman, Esquire  
Register of Copyright  
James Madison Memorial Building  
First and Independence Avenue, S. E.  
Washington, D. C. 20003



Dear Ralph:

I have attached to this short note a copy of our response to your Office's request for comment on the study of the states' Eleventh Amendment immunity in copyright infringement cases. I have tried to point out as briefly as possible our concerns about the seriousness of the movement toward immunity. We have many friends among our customers in the states, and we can't believe that those who are in the departments of education, state textbook directors, and teachers at all levels could be in favor of something which will inevitably give them poorer quality materials. I would certainly be willing to expand on this if you feel it would help make the point.

Many thanks for your attention to the question. I understand that the Copyright Society will have its mid-winter meeting at the Copyright Office on March 4 and I plan to attend. I hope I'll see you then.

Best personal regards.

Sincerely,

*Charles A. Butts*  
Charles A. Butts, Director  
Legal Administration and  
External Relations

CAB:fs

Enclosure

cc Dorothy Schrader, Esquire ✓

# Houghton Mifflin Company

One Beacon Street, Boston, Massachusetts 02108  
(617) 725-5000 Cable HOUGHTON

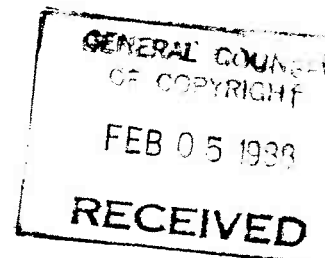
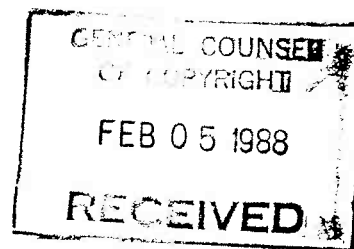
RM 87-5

No. 30

January 29, 1988

FEDERAL EXPRESS

Dorothy Schrader, Esquire  
Office of the General Counsel  
Copyright Office  
Library of Congress  
Department 100  
Washington, D. C. 20559



Re: Request for Information: Eleventh Amendment

Dear Ms. Schrader:

We welcome the opportunity to respond to the Copyright Office's "request for information" for your study on state immunity from copyright liability under the Eleventh Amendment. We hope that these brief comments about practical problems we would expect to face will be helpful to you.

Houghton Mifflin Company is a publicly held, independent and major publisher of instructional materials for schools and colleges, books for the general reading public, dictionaries and other reference materials, and computer software. We take seriously our responsibilities in playing a key role in the creation and availability of our nation's cultural resources. This is especially true in the area of educational publishing where we dedicate our resources to developing new instructional materials of the highest possible quality for use in schools and universities. We take pride in the fact that our success in this area is due in a large part to our recognition of the contributions of authors and our ability to work in concert with them for our mutual benefit.

Educational publishing is an important part of our total business. As shown in our corporate annual report for 1986, 84.1% of our net sales were from sales of textbooks and other educational materials. During 1987, we registered the copyrights to over 400 new materials published for instructional use. In view of the fact that the Department of Education reported in its February 1987 Bulletin that 77.4% of the university and graduate students in this country attend state run institutions, we are sure you will recognize how critical it would be should state institutions be deemed immune from copyright infringement liability. They represent a major market for us.

We have great concerns about the possible widespread use of sovereign immunity from claims of infringement of copyright and from our

ability to obtain remedies for such infringement. These concerns go far beyond the obvious and significant loss of market for products. We are convinced that if states, including state-run universities and by extension state-related elementary and secondary schools, can freely copy or reproduce our copyrighted materials, there will be no effective recourse for us.

It is unrealistic to assume that publishers of educational materials, whether they be acting independently or collectively, would have the resources to file numerous suits for damages from infringement. In fact, it is our understanding that should sovereign immunity prevail, there would be no "infringement basis" on which we could file suit. We believe, rather, that publishers would be forced to discontinue publishing for these markets. While it might be impractical for some states to reproduce expensive four-color materials now being provided by commercial publishers, it would not be at all prohibitive for them to reproduce in necessary quantities such items as workbooks, test banks, study guides, and testing materials such as answer sheets and question booklets. These are often now printed in one or two colors, are often consumable materials, and are in great demand by classroom teachers.

Briefly, the negative results, should commercial publishers be forced to discontinue publishing such materials, would be:

1. In the highly competitive market for instructional materials, publishers invest heavily in quality paper, four-color printing, substantial bindings, and other expensive manufacturing processes in order to present their products as favorably as possible. This is possible because of the size of the nation-wide market. Should a significant number of states fragment that market by producing copies for their own use, such investments would not be economically feasible. Visual quality, durability, and other standardization criteria established by the states' adoption directors would suffer.
2. Classroom teachers, who now have a broad variety of commercially published programs of instructions to choose from, would no longer have the opportunity to select materials they feel most appropriate for their students. If the publishers' materials were not easily reproducible, teachers would be handicapped by being forced to find alternate, less familiar materials.
3. There would be a loss of opportunity to be published and to earn royalty income for authors of instructional materials. Clearly, unauthorized copying by states would not produce revenue from which publishers pay royalties to authors. Many textbook authors are primarily classroom teachers, and this royalty income is a valuable supplement to their salaries. This raises an interesting question about the reactions of authors who teach at state universities but who would not be able to use their own books as they were originally published.



4. Finally, students would be required to learn using inferior materials and, as a result, the nation's long-term objective of national education growth would inevitably suffer.

We have been much encouraged during the years since the effective date of our current copyright law by the increased recognition of the exclusive rights of owners of copyright in the educational community. Our permissions departments are experiencing an increasing level of awareness of these rights as shown by more and more classroom teachers expressing the need to have permission to copy in writing, by the increased frequency with which commercial copy shops request permission to reproduce materials for educators, and by a general acceptance of copyright clearing organizations. We find it hypocritical that states, which in so many other ways observe the copyright law, would be able to disregard the exclusive rights of owners should they adopt a position of sovereign immunity as in the cases currently in litigation.

We hope these comments will be helpful in considering a remedy for the far-reaching and long-term impact on the rights of copyright holders should the states be allowed to establish a position which puts them beyond the reach of those whose constitutional rights are being so openly violated. Please let me know if I can be of further assistance.

Sincerely,



Charles A. Butts, Director  
Legal Administration and  
External Relations

CAB:fs

SAIDMAN, STERNE, KESSLER & GOLDSTEIN

ATTORNEYS AT LAW

1225 CONNECTICUT AVENUE  
WASHINGTON, D. C. 20036

(202) 833-7533

CABLE: PRELEX  
TELEX: 248636 SSK

TELEFAX: (202) 833-8716  
GROUPS I, II & III

BALTIMORE

INNER HARBOR CENTER  
400 EAST PRATT STREET, SUITE 800  
BALTIMORE, MARYLAND 21202  
(301) 659-7570

ROCKVILLE

25 WEST MIDDLE LANE  
ROCKVILLE, MARYLAND 20850  
(301) 251-8585

PERRY J. SAIDMAN  
ROBERT GREENE STERNE  
EDWARD J. KESSLER  
JORGE A. GOLDSTEIN  
SAMUEL L. FOX  
HOLLIE L. BAKER\*  
NEIL D. GERSHON\*  
HENRY N. WIXON\*  
KATHLEEN S. TAYLOR\*  
DAVID K.S. CORNWELL\*  
ROBERT GROOVER III  
MICHELLE PETERS\*  
JOHN D. MITCHELL, JR.\*  
SUSAN NEUBERGER WELLER

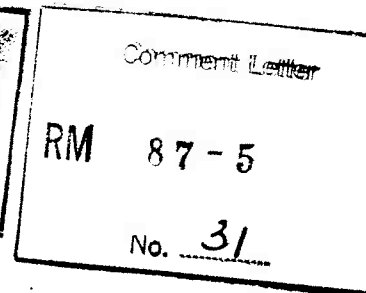
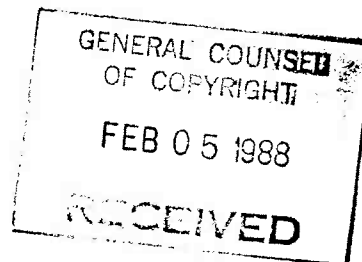
ABRAHAM BOGORAD  
WILLIAM F. PATRY  
OF COUNSEL

RAYMOND C. GLENNY  
PATENT AGENT

\*BAR OTHER THAN D.C.

January 29, 1988

Office of the General Counsel  
Copyright Office  
Library of Congress  
Washington, D.C. 20559



Re: RI 87-5  
Request for Information,  
Eleventh Amendment

Dear Ms. Schrader:

On behalf of the American Intellectual Property Law Association (AIPLA), I would like to comment regarding the issue of the Copyright Act and the Eleventh Amendment. The AIPLA believes that Congress clearly intended states and their instrumentalities to be subject to the full range of remedies provided in Chapter 5 of the 1976 Copyright Act but that further legislation on the issue is now necessary in light of the Supreme Court's 1985 Atascadero decision and subsequent lower court decisions construing Atascadero. While we believe that good arguments can be made that the Copyright Act as written satisfies the Atascadero requirement of express Congressional intent to include states within ambit of defendants, we recognize that all of the lower court decisions subsequent to Atascadero hold to the contrary, albeit in the BV Engineering case, reluctantly. We further note that the Supreme Court has been split 5-4 in many of sovereign immunity cases. The recent additions of Justices Mikva and Kennedy add further uncertainty to an already uncertain area.

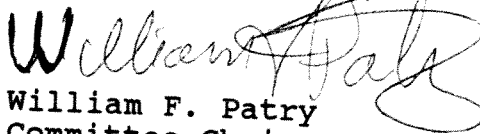
As we are all aware, the 1976 Act is the result of many compromises, strongly argued but delicately balanced. In

Office of the General Counsel  
January 29, 1988  
Page 2

this respect, it is interesting that the request for information refers to fair use, for few areas of the 1976 Act were the subject of a more prolonged fight. The classroom guidelines contained in the 1976 House Report are a reflection of these difficulties. Why, one wonders, did the interested parties engage in such heated battles if states and their instrumentalities (such as school districts) were to be exempt from monetary liability? There are other similar provisions in the Act, which we point out in the enclosed amicus brief filed in the Radford University case.

We believe the Act both in its discrete parts and as a whole clearly contemplated the states being subject to all of the Chapter 5 remedies, and as a policy matter, can think of no reason why they should not. Congress has already acted to amend at least two statutes in light of Atascadero: the statute at issue in Atascadero and the Comprehensive Environmental Compensation and Liability Act amended after the Third Circuit held that Atascadero barred liability. The Copyright Act should be similarly amended in order to avoid needless future litigation and to ensure that the intent of Congress in passing the 1976 Act is fulfilled.

Respectfully yours,



William F. Patry  
Committee Chairman

WFP:jwd

RM 87-5

No. 31

IN THE

**United States Court of Appeals**

**FOR THE FOURTH CIRCUIT**

**No. 87-1610**

**RICHARD ANDERSON PHOTOGRAPHY**

*Plaintiff-Appellant,*

*v.*

**RADFORD UNIVERSITY et al.,**

*Defendants-Appellees.*

**On Appeal from the United States District Court  
for the Western District of Virginia**

**BRIEF FOR AMICUS CURIAE  
AMERICAN INTELLECTUAL  
PROPERTY LAW ASSOCIATION**

**INTEREST OF THE AMICUS**

The American Intellectual Property Law Association (AIPLA) is a national bar association of more than 4,800 members. Its members are attorneys whose interest and practice is in the areas of patent, trademark, copyright, trade secret, and other intellectual property law.<sup>1</sup> AIPLA's members include attorneys in private practice and those employed by corporations, universities, and government. Unlike many other areas of practice, in which separate and distinct plaintiffs' and defendants' bars exist, intellectual property law attorneys represent both plaintiffs and defendants.

ment Letter

87-5

No. 31

als

ellant,

appellees.

art

ociation  
n 4,800  
st and  
, trade  
embers  
ved by  
y other  
fs' and  
repre-

AIPPLA has no views on the private interests of the parties, but is deeply concerned about the issues of public importance in this case. Specifically, affirmance of the decision below could jeopardize the rights not only of copyright owners but also of owners of other forms of intellectual property, such as patents, which are widely used by state governmental bodies.

Because we believe the case below was wrongly decided, and because the interests represented by our members' clients or employees would be directly affected by affirmance of the decision below, we have sought, pursuant to F.R. App. P. 29, leave to file this *amicus* brief.

## ARGUMENT

### I. STATES WHICH INFRINGE COPYRIGHTS AND PATENTS ARE NOT IMMUNIZED BY THE ELEVENTH AMENDMENT

#### A. The Exclusive Jurisdiction of the Federal Courts over Copyright and Patent Matters Precludes Application of State Sovereign Immunity under the Eleventh Amendment

The Constitution grants Congress, and not the states, the power to enact uniform copyright and patent statutes. U.S. Const., Art. I, Sec. 8, Cl. 8. Congress in turn, has granted the federal courts exclusive jurisdiction over copyright and patent cases arising under such statutes. 28 U.S.C. § 1338(a) provides:

The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents, plant variety protection, copyrights, and trade-marks. Such jurisdiction shall be exclusive of the courts of the states in patent, plant variety protection and copyright cases.

The existence of this exclusive federal jurisdiction in patent and copyright cases conflicts with one of the basic rationales supporting Eleventh Amendment immunity for the states. That rationale has always been that the plaintiff will not be without a forum. See *Ex Parte Young*, 209 U.S. 123, 176 (1907) (Harlan J., dissenting).

Thus, for example, in *Employees v. Missouri Public Health Dept.*, 441 U.S. 279 (1973), which granted Eleventh Amendment immunity, the Court implied that federal jurisdiction was unnecessary because a suit in state court was likely still possible. The federal statute at issue would therefore not be creating a right without a remedy:

The argument is that if we deny this direct federal court remedy, we in effect are recognizing that there is a right without any remedy. Section 16(b) [of the Fair Labor Standards Act], however, authorizes employee suits in "any court of competent jurisdiction." Arguably, that permits suit in the Missouri courts but that is a question we need not reach.

441 U.S. at 287.

Justice Marshall, concurring in the result, was more explicit in referring to concurrent state court jurisdiction as a justification for Eleventh Amendment immunity:

While constitutional limitations upon the federal judicial power bar a federal court action by these employees to enforce their rights, the courts of the State nevertheless have an independent constitutional obligation to entertain employee actions to enforce those rights. See *Testa v. Katt*, 330 U.S. 386 (1947). See also *General Oil Co. v. Crain*, 209 U.S. 221 (1908). For Missouri has courts of general jurisdiction competent to hear suits of this character, and the judges of those courts are co-equal partners with the members of the Federal judiciary in the enforcement of federal law and the Federal Constitution, see *Martin v. Hunter's Lessee*, 1 Wheat. 304, 339-340 (1816). Thus, since federal law stands as the supreme law of the land, the state's courts are obliged to enforce it, even if it conflicts with state policy, see *Testa v. Katt*, *supra*, at 392-394; *Second Employer's Liability Cases*, 223 U.S. 1, 57-58 (1912).

441 U.S. at 298 (footnote omitted).

However, in patent and copyright cases, the *only* jurisdiction possible is federal jurisdiction. 28 U.S.C. § 1338(a).

*Goldstein v. California*, 412 U.S. 546 (1973). Thus, if a federal court cannot hear a patent or copyright infringement suit against a state because of the Eleventh Amendment, a patent or copyright owner will never have a forum to assert such a violation of his rights. Further, if the state is to be immunized against such unauthorized use of intellectual property, then there truly will be a right—and a Constitutionally based one, at that—without a remedy. The specific, exclusive federal jurisdiction of 28 U.S.C. § 1338(a) would be rendered meaningless. That result, we submit, is contrary to Constitutional and Congressional intent, and militates against application of the Eleventh Amendment to copyright and patent cases.

**B. Congress Has Expressed Its Intention to Abrogate the Eleventh Amendment in Unmistakable Language in the Copyright Act**

In *Mills Music, Inc. v. State of Arizona*, 591 F.2d 1278, 1285 (9th Cir. 1979), the court of appeals correctly held that "it is clear that the abrogation of a state's Eleventh Amendment immunity is inherent in the Copyright and Patent Clause and the Copyright Act."

The contrary view of the district court below—that Congress has no power to abrogate Eleventh Amendment immunity under Article I of the Constitution but only under Section 5 of the Fourteenth Amendment, 663 F.Supp. 1154, 1158 n. 9 (W.D. Va. 1986) is wholly without support and should be reversed. See *In re McVey Trucking, Inc.*, 812 F.2d 311 (7th Cir. 1987) (upholding Congress's Article I abrogation power).

Of course, as the Supreme Court has held in *Atascadero State Hospital v. Scanlon*, 473 U.S. 234 (1985) and more recently in *Welch v. State Dep't of Highways*, 55 U.S.L.W. 5046 (U.S. June 25, 1987) (No. 85-1716), Congress, even when acting pursuant a valid exercise of its power to abrogate, "must express its intention to abrogate in unmistakable language of the statute itself." *Atascadero*, *supra*, 473 U.S. at 243.

A review of the Copyright Act of 1976, 17 U.S.C. § 101 *et seq.* (effective generally January 1, 1978), reveals that the *Atascadero* requirement has been met. Section 501 of the Act

permits  
clusive  
In  
same o  
fro  
its  
the  
mo  
ide  
cop  
Mi  
exa  
Ac  
sta  
for  
frin  
Johnson  
Va. 1983  
Inde  
Johnson  
Copyright  
is sufficie  
The  
the sort o  
dero. We  
constructi  
Copyright  
liability u  
e.g., 17 U  
118(d)(3)  
wholly in  
axiomatic  
manner th  
Trucking,  
Amendme  
do not vie  
understand



permits suit against "[a]nyone who violates any of the exclusive rights of the copyright owner."

In construing this language, another district judge in the same court as that below held:

Whereas the 1909 Act prohibited "any person" from infringing on a copyright, the 1976 Act prohibits "anyone" from so doing. Thus, the language of the 1976 Act is at least as sweeping, and probably more sweeping, than the language of the 1909 Act in identifying the class of defendants subject to copyright infringement suits. Therefore, based on the Mills Music analysis of the 1909 Act, and this court's examination of the operative language of the 1976 Act, the court determines that the 1976 Act waived the state's Eleventh Amendment immunity from liability for damages and equitable relief for copyright infringements. (emphasis added)

*Johnson v. University of Virginia*, 606 F.Supp. 321, 324 (W.D. Va. 1985).

Indeed, the district court below in essence agreed with the *Johnson* court's construction of the Copyright Act, noting "the Copyright Act's general authorization for suit against 'anyone' is sufficiently broad to include the states." 633 F.Supp. at 1159.

The Court nevertheless believed that this may not present the sort of unmistakable language allegedly required by *Atascadero*. We respectfully disagree and further note that a contrary construction would render meaningless other parts of the Copyright Act provisions which expressly exempt states from liability under narrow, carefully crafted circumstances. See, e.g., 17 U.S.C. §§ 110(1), (2), (6), (8); 112(b), (c), (d); 118(d)(3); 601(b)(3); and 602(a)(1). Such exemptions are wholly irrelevant if states have no liability ab initio. It is axiomatic that statutes must be construed as a whole and in a manner that gives sense to that whole. See *In re McVey Trucking, Inc.*, 812 F.2d 311, 326 (7th Cir. 1987) (in Eleventh Amendment case court held "in seeking to construe a state, we do not view any provision in isolation. Rather, we seek to understand a given provision in the context of the entire statute").

larger statute of which it is a part)." The only such possible construction of the Copyright Act is one that renders states liable for infringement subject to the express statutory limitations noted above.

We observe, as the Supreme Court did in *Goldstein v. Goldstein*, 412 U.S. 546, 555 (1973), that "[t]he objective of the Copyright Clause was clearly to facilitate the granting of rights national in scope;" "when Congress grants an exclusive right or monopoly, the effects are pervasive; no citizen or state may escape its reach" (emphasis added). (*Id.* at 56). This intent is unmistakably embodied in clear language in Section 301 which preempts *all* equivalent state activity with respect to copyright. It would be anomalous indeed for Congress to have intended Section 301 to prohibit states to grant copyrights but to permit them to infringe the copyrights of others.

## II. THE DECISION BELOW WILL ALSO ADVERSELY AFFECT THE PATENT LAW UNLESS CORRECTED

The decision below is not only contrary to a sound application of the copyright statute, but will have harmful effects on the patent laws as well. States make considerable uses of patented products and processes. The consequences of an affirmance of the district court decision could have a far-reaching effect on patent owners by allowing states to infringe such patents with impunity.<sup>2</sup> We suggest that such a result is not only incorrect, but is adverse to emerging growth industries, the innovative climate, and the general health of the United States economy.

Pursuant to its Constitutional grant of power to enact national patent laws, Congress enacted detailed statutory provisions to protect inventors' rights. 35 U.S.C. § 1 *et seq.*<sup>3</sup>

<sup>2</sup> The patent cases discussing the issue have held that states are subject to injunctive relief for infringement of a patent. *Lemelson v. Ampex Corp.*, 273 F.Supp. 708, 712 (N.D. Ill. 1974); *Hercules, Inc. v. Minnesota Highway Department*, 337 F.Supp. 795, 799 (D. Minn. 1972). And, we suggest that the only logical view is that states are liable for damages as well. See, e.g., *Lemelson*, 372 F.Supp. at 712-713.

<sup>3</sup> The pronoun, "whoever," used in the subsections of § 271 of Title 35 to refer to a party committing acts which are patent infringement, is equally as

Congress has provided for exclusive federal jurisdiction over patent cases as in copyright cases. 28 U.S.C. § 1338(a).

The notion that it would be unfair and unjust if a patent or copyright owner had no remedy against a state which used such intellectual property without authorization has long been recognized. As the Sixth Circuit held in *Howell v. Miller*, 91 F. 129, 136 (6th Cir. 1898):

A state cannot authorize its agents to violate a citizen's right of property, and then invoke the constitution of the United States to protect those agents against suit instituted by the owner for the protection of his rights against injury by such agents.

This court should similarly not permit the states to violate a constitutionally based federal right by depriving intellectual property owners of their *only* available forum for recompense for such violations.

Respectfully submitted,

ROBERT C. KLINE, President  
American Intellectual Property  
Law Association  
2001 Jefferson Davis Highway  
Arlington, Virginia 22202

By: \_\_\_\_\_  
William F. Patry  
SAIDMAN, STERNE, KESSLER &  
GOLDSTEIN  
1225 Connecticut Avenue  
Washington, D.C. 200036  
(202) 833-7533

*Its Attorneys*

(footnote continued)

sweeping as the terms "any person" under the 1909 Copyright Act and "anyone" under the 1976 Copyright Act. See *Johnson v. University of Virginia*, quoted in \_\_\_\_\_

HEESCH & KELLY  
Attorneys At Law

ALEXANDER LINCOLN (1873-1954)  
HARRY L. LYNCH (1915-1983)

HAROLD R. HEESCH  
ARTHUR L. KELLY  
WILLIAM F. SPALLINA  
DAWN MEREDITH

GENERAL COUNSEL  
OF COPYRIGHT

FEB 09 1988

RECEIVED

1113 WASHINGTON STREET  
NEWTON, MASSACHUSETTS 02165  
(617) 969-6724

Of Counsel:  
MARK P. BERGIN  
JANET M. BENVIE

January 27, 1988

Mr. Ralph Oman  
Registrar of Copyrights  
Copyright Office  
Library of Congress  
Washington, D.C. 20559

Comment Letter

RM 87-5

No. 32

Dear Mr. Oman:

Pursuant to your request for comments on the 11th Amendment immunity of states and their subdivisions from suit under title 17 U.S.C. for copyright infringement, I enclose the following material for the record.

I and my client, Mrs. Lane stand ready to testify before Congress on this matter.

Sincerely yours,

  
William F. Spallina

WFS/v

UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS

Comment Letter

RM 87-5

No. 32

JOAN F. LANE,  
d/b/a LANE & CO.,  
Plaintiff

v.

THE FIRST NATIONAL  
BANK OF BOSTON, ET AL.,  
Defendants

CIVIL ACTION NO.  
85-0520-T

FINDINGS AND RECOMMENDATIONS  
ON  
DEFENDANT COMMONWEALTH OF MASSACHUSETTS  
MOTION TO DISMISS

OCTOBER 31, 1985

ALEXANDER, M.

The instant motion arises from a complaint brought by plaintiff for infringement of copyright,<sup>1</sup> violation of constitutional rights pursuant to 42 U.S.C. § 1983, and a pendent state claim for willful appropriation of trade secrets. Plaintiff alleges that the Commonwealth of Massachusetts (Commonwealth), its subdivisions<sup>2</sup> and its employees<sup>3</sup> infringed on her copyrighted computer printout and associated works and in so doing deprived her of property without due process of law in violation of the Fourteenth Amendment. Plaintiff seeks monetary and equitable relief.

<sup>1</sup>Pursuant to the 1976 Copyright, 17 U.S.C. § 101 et seq.

<sup>2</sup>Bureau of Accounts and the Department of Revenue.

<sup>3</sup>Harvey Beth, Edward Collins and Roberta Heinzmann.

Joan Lane is a Massachusetts citizen who is engaged in the business of collecting public financial information and statistics and compiling data bases and then applying these statistics and information to a computerized data base which she sells. Her computerized compilations are sold in various forms including reports, computer tapes, and telephone line access tie-ins to the computerized data base. (Complaint ¶ 8).<sup>4</sup> One of plaintiff's creations is entitled "Format 3, Sources and Uses" which contains financial information from the towns and cities in the Commonwealth on a standardized form developed by plaintiff. (Complaint ¶ 9). Plaintiff also created a computerized data base incorporating all 1980 public financial information from towns, communities and cities in the Commonwealth which is reported on a form provided by the Commonwealth known as "Schedule A". (Complaint ¶ 10). All of the above-mentioned works have been registered with the U.S. Copyright Office and all bear the statutory notice of claim of copyright. (Complaint ¶ 11).

The gravamen of plaintiff's complaint is that the Commonwealth by and through its employees infringed on her copyrighted materials which included trade secrets, and have not compensated her for the loss of her property.

The Commonwealth contends that the Eleventh Amendment provides an immunity against plaintiff's copyright action. Additionally, the Commonwealth contends that there are insufficient grounds for the § 1983 claim. In support

---

<sup>4</sup>Complaint refers to the Second Amended Complaint which is the subject of this Motion to Dismiss.

thereof, the Commonwealth claims that there is an adequate remedy in state law; and that a qualified immunity applies. Finally, the Commonwealth maintains that the plaintiff has failed to state a claim both for misappropriation of trade secrets under state law and for statutory damages and attorneys fees under the Copyright Act.

#### I. COPYRIGHT CLAIMS

It is very clear that the Eleventh Amendment<sup>5</sup> bars a suit by a citizen against a state, unless the state consents to be a party in the litigation. Pennhurst State School & Hospital v. Halderman, \_\_\_ U.S. \_\_\_, 104 S.Ct. 900, 908 (1984). It is equally clear that a claim seeking damages from the state treasury is generally barred by the Eleventh Amendment, Edelman v. Jordan, 415 U.S. 651, 663 (1974), reh. den., 416 U.S. 1000 (1974).

The precise issue before this Court is whether the 1976 Copyright Act<sup>6</sup> waives the Commonwealth's Eleventh Amendment immunity from liability for damages and equitable relief for infringement of copyrighted material.

This issue is not definitively well settled in that there are only four cases which address a copyright infringement action against a state. Generally, these cases can be divided into two classifications: those where the court found that the Eleventh Amendment provided immunity from suits of this nature,

---

<sup>5</sup>"The Judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by Citizens of another State, or by Citizens or Subjects of any Foreign State." U.S. Const. Amend. XI

<sup>6</sup>17 U.S.C. § 101, et seq.

Wihtol v. Crow, 309 F.2d 777 (8th Cir. 1962); Mihalek Corp. v. State of Mich., 595 F.Supp. 903 (E.D. Mich. 1984); and those where the Court determined that the express language of the Copyright Act waived the Eleventh Amendment sovereign immunity, Mills Music, Inc. v. State of Ariz., 591 F.2d 1278 (9th Cir. 1979); Johnson v. University of Virginia, 606 F.Supp. 321 (D. Virg. 1985).

In Wihtol v. Crow, 309 F.2d 777 (8th Cir. 1962), plaintiff brought suit for copyright infringement against a school district when his song was performed by the high school choir. Although the court found that indeed the copyright in the song had been infringed, the court concluded that "[a] suit against the State of Iowa, for the infringement of a copyright, clearly could not be maintained, because of the Eleventh Amendment to the Constitution of the United States . . ." Wihtol at 781. Because the school district was an instrumentality of the state, and a judgment would be paid out of public funds, the Wihtol court found that the state had not consented to the suit, and therefore, lacked jurisdiction on the complaint.

Similar rationale was utilized by the court in Mihalek Corporation v. State of Michigan, 595 F.Supp. 903 (E.D. Mich. 1984). There, the State of Michigan was the defendant in a copyright infringement action when plaintiff's copyrighted advertising designs were incorporated into the "Say Yes to Michigan" and "Yes M!ch!gan" advertising campaigns without compensation to the plaintiff.

The Mihalek court did not rely on Wihtol as a precedent. However, it utilized the Supreme Court cases of Edelman v. Jordan, 415 U.S. 651 (1974) and Quern v. Jordan, 440 U.S. 332



(1979) to buttress their rationale that "a federal court is without jurisdiction, by operation of the eleventh amendment to impose an award of damages against a state, or against its agents when the award would compel an invasion of the coffers of the state, for violation of federal law." Mihalek at 906. It is, however, important to note that the Mihalek court acknowledged that both Edelman v. Jordan, 415 U.S. 651 (1974) and Quern v. Jordan, 440 U.S. 332 (1979) did not specifically address the issue of whether the Copyright Act subrogated the Eleventh Amendment immunity of the states, Mihalek at 906.

The court in Mihalek declined to follow the case of Mills Music, Inc. v. State of Arizona, 591 F.2d 1278 (9th Cir. 1979). The plaintiff in Mills Music alleged that a state agency had used its copyrighted song for the theme of the state fair.

The court in Mills Music properly concluded that the Eleventh Amendment bars an action against the state unless the state waived its Eleventh Amendment immunity or consented to jurisdiction. The case provides a historical analysis of cases in which waiver of the Eleventh Amendment immunity was an issue through the voluntary participation by a state in an activity regulated by federal law. Parden v. Terminal R. Co., 377 U.S. 184, reh. den., 377 U.S. 1010 (1964), (waiver found in the statutory provision for a suit against a class of defendants which included the states as operators of railroads); Employees v. Missouri Public Health Dept., 411 U.S. 279 (1973) (no waiver where Congress had not expressly provided for waiver in the statute); Edelman v. Jordan, 415 U.S. 651 (1974) (waiver not found in the absence of congressional authorization to sue a

class of defendants including the state without any indication of a remedy available against a state).

The Mills Music court then analyzed the 1909 Copyright Act which was the subject of the dispute before the court. Determining that the specific language of the act was a Congressional authorization for a suit against the state, the court looked to 17 U.S.C. § 1 which stated:

"If any person shall infringe the copyright in any work protected under the copyright laws of the United States such person shall be liable:

(b) Damages and profits; amounts, other remedies. To pay the copyright proprietor such damages as the copyright proprietor may have suffered due to the infringement, as well as all the profits which the infringer shall have made from such infringement . . . ." (emphasis added).

The court concluded that the term "any person" as found in the 1909 Copyright Act "includes states within the defined class." Mills Music at 1284. The Court also determined that "[a]lthough states may provide for additional protections for federal copyrights, a state may neither abrogate nor in any way diminish the federally granted and protected rights of a copyright holder." Mills Music at 1285 citing Goldstein v. California, 412 U.S. 546, reh. den., 414 U.S. 883 (1973).

Mills Music was followed in the recent case of Johnson v. University of Virginia, 606 F.Supp. 321 (D. Virg. 1985). The Court found that Mills Music contained a "more well-reasoned and thorough analysis of the Eleventh Amendment and the 1909 Act's effect on the states' Eleventh Amendment immunity." Johnson at 323. This Court agrees. More importantly, the Johnson court extended the rationale of Mills Music from the 1909 Copyright Act to the 1976 Copyright Act which states:

"Anyone who violates any of the exclusive rights of the copyright owner as provided by sections 107 through 118, or who imports copies or phonorecords into the United States in violation of section 109, is an infringer of the copyright." 17 U.S.C. § 501(a) emphasis added. Johnson at 324.

Clearly the term "anyone" would encompass a broader class of defendants than the previously identified class of "any person" as found in the 1909 Act.<sup>7</sup> This Court believes that this is further indication of the Congressional intent to include states within the defined class of defendants subject to a copyright infringement suit.

Based on the foregoing discussion, this Court follows Mills Music and Johnson and finds that the Eleventh Amendment does not provide a bar to this copyright infringement suit by Joan Lane against the Commonwealth because the 1976 Copyright Act expressly waives the immunity on which the Commonwealth relies. Accordingly, it is recommended that the Motion to Dismiss this claim be denied.

For purposes of deciding a motion to dismiss, the Court must consider the complaint as a whole, and judging it in the light most favorable to the plaintiff, determine whether the allegations enable the plaintiff to prove any set of facts

<sup>7</sup>The term "any person" when found in statutes has been construed differently. For example, the term "any person" included municipalities, but not states in the case of Monell v. New York Department of Social Services, 436 U.S. 658 (1978); and in Hutto v. Finney, 437 U.S. 678 (1978), Justice Brennan, concurring, determined that under 42 U.S.C. § 1983 Congress intended the term "any person" to include states. The term "any person" as used in the Securities and Exchange Act of 1934, 15 U.S.C. § 78j, has included states in some cases, but not in others, see Mills Music, 591 F.2d 1278, 1284 fn. 7 (9th Cir. 1979). Since the term "any person" has been defined with such specificity of applicability, the more amorphous term "anyone" appears to be more expansive and all encompassing.

which would entitle her to relief. Conley v. Gibson, 355 U. 41, 45-46 (1957).

Defendants contend that because the plaintiff has failed show the date on which she registered her copyrights<sup>8</sup> she has failed to state a claim for statutory damages or attorneys' fees.

An allegation of ownership of a copyright registration is an essential jurisdictional prerequisite to an action for infringement. See 17 U.S.C. § 411 (a) which provides "no action for infringement of the copyright in any work shall be instituted until registration of the copyright claim has been made in accordance with this title." Further, absent an allegation that the copyrights have been registered, the complaint is defective, Charron v. Meaux, 60 F.R.D. 619, 624 (S.D.N.Y. 1973). Although providing the registration numbers would present prima facie evidence of registration, See Milene Music, Inc. v. Gotauco, 551 F.Supp. 1288, 1293 (D.R.I. 1982), it does not appear to be a requirement of pleading.

Since plaintiff has adequately alleged both ownership<sup>9</sup> and registration,<sup>10</sup> this Court construes those pleadings in the light most favorable to the plaintiff and denies defendant's Motion to Dismiss plaintiff's claim for statutory damages or attorney's fees under the Copyright Act.

## II. CIVIL RIGHTS CLAIMS

Plaintiff brings a claim for violation of 42 U.S.C. § 1983

---

<sup>8</sup>Defendants' Supplemental Motion to Dismiss ¶ 5.

<sup>9</sup>Complaint ¶ 12.

<sup>10</sup>Complaint ¶ 11.

for deprivation of her property rights in the computer printouts, forms and creations previously described. It is difficult to determine which causes of action plaintiff brings under her § 1983 claim.<sup>11</sup> However, for the purposes of this motion to dismiss, by incorporating by reference ¶¶ 1-19 and ¶¶ 26-31, this Court will assume arguendo that conversion and restraint of trade are the deprivations about which plaintiff complains.

The Commonwealth argues that the Copyright Act provides an insufficient basis for a § 1983 action; that there is an adequate remedy at state law for plaintiff's claims and that a qualified immunity applies.

This Court agrees with defendant that the Copyright Act is an insufficient basis for a claim brought pursuant to 42 U.S.C. § 1983. The basis for this determination is that the 1976 Copyright Act, 17 U.S.C. § 101 et seq. provides an exclusive procedural and remedial framework for infringement actions, and in so doing precludes the broadly worded remedial language found in § 1983. Middlesex Cty. Sewerage Authority v. National Sea Clammers Ass'n, 453 U.S. 1, 20-21 (1981); Smith v. Robinson, \_\_\_ U.S. \_\_\_, 104 S.Ct. 3457, 3469-3470 (1984).

However, as stated above, the claims alleging conversion and restraint of trade are problematic. In Parratt v. Taylor, 451 U.S. 527, 534-535 (1981), the Supreme Court recognized that § 1983 was passed "to afford a federal right in federal courts because by reason of prejudice, passion, neglect, intolerance or

---

<sup>11</sup>In ¶ 55 of the complaint, plaintiff incorporates by reference ¶¶ 1-19 and ¶ 26-30. ¶ 5 states that counts II, IV, V, VI and VII are pendent claims. ¶¶ 26-30 comprise plaintiff's copyright claim.

otherwise, state laws might not be enforced and the claims of citizens to the enjoyment of rights, privileges and immunities guaranteed by the Fourteenth Amendment might be denied . . ."

See also Logan v. Zimmerman Brush Co., 455 U.S. 422 (1982).

However, the Parratt Court was cautious in their application of the Fourteenth Amendment, not wanting § 1983 to become a "font of tort law to be superimposed upon whatever systems may already be administered by the States." Parratt at 544.

In the case sub judice, the Commonwealth of Massachusetts, the Commonwealth of Massachusetts Bureau of Accounts, the Department of Revenue of the Commonwealth of Massachusetts, and three individuals who either are or were employees of the Commonwealth are all parties. Yet, the requirement of state action has not been met by the plaintiff in her pleadings. Actionable deprivations must be based on "misuse of power, possessed by virtue of state law and made possible only because the wrongdoer is clothed with the authority of state law." Parratt at 552 fn. 10. There is a distinction between mere torts of state officials and acts done under color of state law. Although, plaintiff has not specifically pleaded her claims of conversion and restraint of trade, to simply conclude that plaintiff will not have a fair trial on those issues in the state courts is inappropriate. Additionally, when there is an adequate remedy at state law for either negligent deprivation of property, Parratt v. Taylor, 451 U.S. 527 (1981) or intentional deprivation of property, Hudson v. Palmer, \_\_\_ U.S. \_\_\_, 104 S.Ct. 3194 (1984), the state remedy acts as a bar to the federal court as the proper forum for a § 1983 claim.

For the § 1983 claims which sound in either conversion or restraint of trade, this Court recommends that defendant's Motion to Dismiss be allowed because even viewing the complaint in the light most favorable to the plaintiff, she has failed to state a cognizable claim. Additionally, the § 1983 claim based upon the Copyright Act should also fail to survive the Motion to Dismiss because, as the previous discussion concludes, the Copyright Act provides for an exclusive procedural and remedial framework.

### III. TRADE SECRETS

The Commonwealth contends that plaintiff has not sufficiently pleaded a cause of action for trade secret misappropriation. In support thereof, plaintiff cites J.T. Healy & Son, Inc. v. Murphy & Son, Inc., 357 Mass. 728, 260 N.E.2d 723 (1970) and Eastern Marble Products Corp. v. Roman Marble, Inc., 372 Mass. 835, 364 N.E.2d 799 (1977). Although these cases state that a trade secret must be kept secret as well as the necessary steps which a company must take to protect the secret, neither of the cases stand for the proposition that plaintiff has an affirmative duty to state that the trade secret was kept secret and the trade secret was protected.

Therefore, considering the complaint as a whole and judging it in the light most favorable to the plaintiff, as this Court must, Conley v. Gibson, 355 U.S. 41, 45-46 (1957), this Court recommends the Commonwealth's Motion to Dismiss be denied with regard to the trade secrets claims.

After weighing factors of judicial economy, convenience and

fairness to litigants, and finding that "plaintiff's claims are such that [s]he would ordinarily be expected to try them all in one judicial proceeding" United Mine Workers v. Gibbs, 383 U.S. 715, 725 (1966), this Court finds pendent jurisdiction over the trade secret claims.

  
UNITED STATES MAGISTRATE

Either party may file written objections to these findings and recommendations within ten days of receipt. Failure to file within ten days shall result in waiver of appeal. See Park Motor Mart, Inc. v. Ford Motor Co., 616 F.2d 603 (1st Cir. 1980).





HOLT, RINEHART AND WINSTON, INC.  
111 Fifth Avenue New York, New York 10003 (212) 614-3300

GENERAL COUNSEL  
OF COPYRIGHT

FEB 1 1 1988

RECEIVED

Comment Letter

RM 87-5

No. 33

February 1, 1988

Dorothy M. Schrader, Esq.  
General Counsel  
Copyright Office  
Library of Congress  
Washington, D.C.

Dear Ms. Schrader:

I am writing to express concern about the issue of state claim of sovereign immunity against Copyright liability. If state institutions, i.e. state colleges, universities, vocational schools, libraries, etc., are allowed to copy material freely, the effects on the publishing industry would be disastrous.

About 70% of our total revenue each year comes from state institutions. We pay hundreds of thousands of dollars each year in permissions fees to authors. If state agencies are free to copy material at will, how will the authors of the copied works be compensated?

I don't believe that any institution should be allowed immunity from copyright liability. Granting such immunity jeopardizes our entire body of copyright law, and undermines the publishing industry in the United States.

Sincerely,

Dave Dusthimer  
President

DD:cc

GENERAL COUNSEL  
OF COPYRIGHT

FEB 11 1988

RECEIVED

# DataTimes

February 1, 1988

Document Letter

DM 87-5

No. 34

FEB. 04. 1988

Office of the General Counsel  
Copyright Office  
Library of Congress  
Department 100  
Washington, DC 20559

Dear Ms. Schrader:

DataTimes appreciates the opportunity to comment on the Request for Information on the Eleventh Amendment. We view the matter of claims of immunity against damages for infringement of copyrighted works as the most pressing issue in domestic U.S. copyright policy.


At the outset, we would like to state that we are members of IIA and we join in the legal views expressed by the Information Industry Association in friend of the court briefs filed in Virginia and in California. We had always assumed, as we believe had Congress, that states and their instrumentalities, like everyone else, are subject to the copyright law. We believe that the plaintiffs should prevail on the merits of this issue.

At the same time, we wish to respond specifically to the questions which were posed in the Request for Information. It is virtually impossible for DataTimes to provide multiple copy subscriptions to state governments. Our ability to enforce copyright limitations is severely limited because of the vast size of government in comparison to our firm.

7% of our total revenue is produced through contracts with state government. If government agencies are allowed "preferential" copyright latitude by the ability to acquire only one subscription and then copy or download our products without restrictions, it is safe to suggest our products to government would be curtailed.

Thank you for your consideration of our views. I would be happy to answer any further questions that you or your staff might have.

Sincerely,

  
Allen W. Paschal  
Vice President

AWP/mds



*the computer software and services industry association*

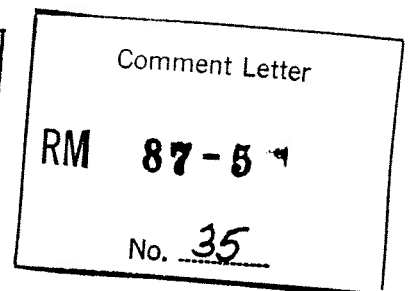
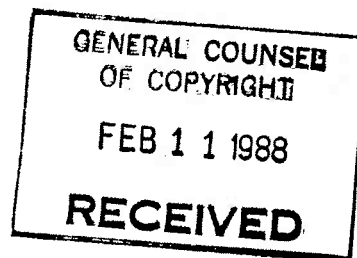
*25 years of leadership*

OFFICE OF THE GENERAL COUNSEL

February 2, 1988

Dorothy Schrader, General Counsel  
U.S. Copyright Office  
Library of Congress  
Department 100  
Washington, D.C. 20559

RE: Request for Information  
Eleventh Amendment, 52 Fed. Reg.  
42045 (Nov. 2, 1987)



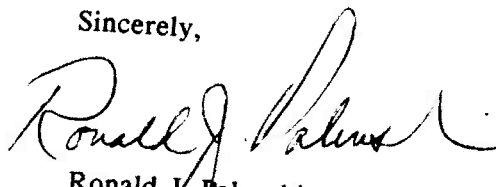
Dear Ms. Schrader:

This is the response of ADAPSO, The Computer Software and Services Industry Association to the above-reference Request for Information. As you know, ADAPSO is the trade association of this nation's computer software and services industry. As such, ADAPSO has a significant stake in the outcome of this proceeding.

As fully stated in the enclosed amicus curiae brief, ADAPSO believes that the Copyright Clause of the Constitution empowers Congress to abrogate state immunity to suit for copyright infringement and that Congress has so acted in the 1976 Copyright Act. This intention to abrogate is clear both from the Copyright Act itself and the structure of the U.S. copyright system generally.

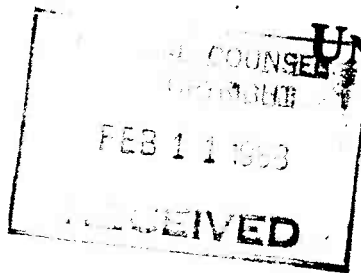
If you have additional questions regarding ADAPSO's views on this important matter, or we can otherwise be of help to your office, please do not hesitate to contact us.

Sincerely,

  
Ronald J. Palenski  
General Counsel

1300 NORTH SEVENTEENTH STREET SUITE 300 ARLINGTON, VIRGINIA 22209-3899  
(703) 522-5055 TELEX: 4993994 EASYLINK: 62924941

No. 87-5920



**UNITED STATES COURT OF APPEALS  
FOR THE NINTH CIRCUIT**

Comment Letter

RM 87-5

No. 35

BV ENGINEERING,

-against-

*Plaintiff-Appellant,*

UNIVERSITY OF CALIFORNIA, LOS ANGELES

*Defendant-Appellee.*

ON APPEAL FROM THE UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA

BRIEF AMICI CURIAE OF THE ASSOCIATION OF AMERICAN  
PUBLISHERS, INC., THE ASSOCIATION OF AMERICAN  
UNIVERSITY PRESSES, INC., THE INFORMATION INDUSTRY  
ASSOCIATION, AND THE COMPUTER SOFTWARE AND  
SERVICES INDUSTRY ASSOCIATION (ADAPSO)

PROSKAUER ROSE GOETZ & MENDELSON  
*Attorneys for Amici Curiae*  
300 Park Avenue  
New York, New York 10022  
(212) 909-7032

*Of Counsel*

Jon A. Baumgarten  
Charles S. Sims  
Christopher A. Meyer  
Andrew W. Reich

# TABLE OF CONTENTS

TABLE OF AUTHORITIES .....	Page (ii)
INTEREST OF <u>AMICI CURIAE</u> .....	1
ARGUMENT .....	3
I. THE COPYRIGHT CLAUSE EMPOWERS CONGRESS TO ABROGATE THE STATES' IMMUNITY TO SUIT FOR COPYRIGHT INFRINGEMENT IN FEDERAL COURT .....	6
II. IN THE COPYRIGHT ACT CONGRESS EXPRESSED IN UNMISTAKABLE LANGUAGE ITS CLEAR INTENTION TO ABROGATE STATE IMMUNITY .....	9
A. Numerous Provisions of the Copyright Act Demonstrate Congress' Intention to Abrogate the Eleventh Amendment .....	10
B. The Statutory Scheme Shows Congress' Intent to Abrogate the States' Eleventh Amendment Immunity .....	17
CONCLUSION .....	19

# TABLE OF AUTHORITIES

## CASES

<u>Atascadero State Hospital v. Scanlon,</u> 473 U.S. 234 (1985) .....	3,4,
<u>BV Engineering v. University of California,</u> <u>Los Angeles,</u> 657 F. Supp. 1246 (C.D. Cal. 1987) .....	6
<u>County of Monroe v. Florida,</u> 678 F.2d 1124 (2d Cir. 1982), <u>cert. denied,</u> 459 U.S. 1104 (1983) .....	9
<u>County of Oneida v. Oneida Indian Nation,</u> 470 U.S. 226 (1985) .....	8
<u>Employees v. Missouri Dep't of Public</u> <u>Health and Welfare,</u> 411 U.S. 279 (1973) .....	3
<u>Fitzpatrick v. Bitzer,</u> 427 U.S. 445 (1976) .....	8
<u>Goldstein v. California,</u> 412 U.S. 546 (1973) .....	17
<u>Green v. Mansour,</u> 474 U.S. 64 (1985) .....	7
<u>In re McVey Trucking, Inc.,</u> 812 F.2d 311 (7th Cir. 1987) .....	8,13
<u>In re Vazquez, Guerrero and Compton,</u> 788 F.2d 130 (3d Cir.), <u>cert. denied,</u> 107 S. Ct. 414 (1986) .....	9
<u>Johnson v. University of Virginia,</u> 606 F. Supp. 321 (D. Va. 1985) .....	11
<u>Mills Music, Inc. v. State of Arizona,</u> 591 F.2d 1278 (9th Cir. 1979) .....	9,11
<u>Patsy v. Board of Regents,</u> 457 U.S. 496 (1982) .....	14

## CASES (cont'd)

<u>Peel v. Florida Dep't of Transportation,</u> 600 F.2d 1070 (5th Cir. 1979) .....	4
<u>Pennhurst State School and Hospital v.</u> <u>Halderman,</u> 405 U.S. 89 (1984) .....	14
<u>Penn Terra Ltd. v. Dep't of Environmental</u> <u>Resources,</u> 733 F.2d 267 (3d Cir. 1984) .....	11
<u>United States v. Oregon State Medical Society,</u> 343 U.S. 326 (1952) .....	4,6,7 12
<u>Welch v. State Dep't of Highways,</u> 107 S. Ct. 2941 (1987) .....	

## CONSTITUTIONAL PROVISIONS AND STATUTES

U.S. Constitution	
art. I, § 8, cl. 8 .....	7,9
art. IV, § 2, cl. 2 .....	9
amend. XI .....	passim
amend. XIV § 5 .....	8
Copyright Revision Act of 1976, 17 U.S.C. §§ 101 <u>et seq.</u>	
§ 106 .....	10,17
§ 110(1), (2), (6), (8) .....	16
§ 111(a)(4) .....	16
§ 112(b), (c), (d) .....	17
§ 118(d)(3) .....	13
§ 301(a) .....	4,17
§ 501(a) .....	6,10,12, 13

## CONSTITUTIONAL PROVISIONS AND STATUTES (cont'd)

	Pag
§ 502 .....	11
§ 504 .....	11
§ 601(a), (b)(3) .....	15
§ 602(a), (a)(1) .....	14,15
11 U.S.C. § 101 (26) .....	13
28 U.S.C. § 1338(a) .....	4,17,1
42 U.S.C. § 1983 .....	14

## CONGRESSIONAL REPORTS

House Comm. on the Judiciary, <u>Copyrights Act</u> , H.R. Rep. No. 1476, 94th Cong., 2d Sess. 168, <u>reprinted in 1976 U.S. Code Cong. &amp; Admin.</u> News 5659 .....	15,16
House Comm. on the Judiciary, <u>Copyright Law</u> <u>Revision</u> , "Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law," 87th Cong., 1st Sess. at 129 (Comm. Print July 1961) .....	13,18
Senate Comm. on the Judiciary, <u>Copyright Law</u> <u>Revision Study No. 33</u> , "Copyright in Government Publications," 86th Cong., 2d Sess. at 10 (Comm. Print 1961) .....	18

## MISCELLANEOUS

1 M. Nimmer, <u>Nimmer on Copyright</u> § 5.06[A] n.1 (1986) .....	18
Note, <u>The Applicability of Eleventh Amendment</u> <u>Immunity Under the Copyright Acts of 1901 and 1976</u> , 36 Am. Univ. L. Rev. 163 (1986) .....	5



UNITED STATES COURT OF APPEALS  
FOR THE NINTH CIRCUIT

---

BV ENGINEERING,

Plaintiff-Appellant,

-against-

UNIVERSITY OF CALIFORNIA, LOS ANGELES

Defendant-Appellee.

---

Docket No. 87-5920

BRIEF AMICI CURIAE OF THE ASSOCIATION  
OF AMERICAN PUBLISHERS, INC., THE ASSOCIATION  
OF AMERICAN UNIVERSITY PRESSES, INC.,  
THE INFORMATION INDUSTRY ASSOCIATION, AND  
THE COMPUTER SOFTWARE AND SERVICES  
INDUSTRY ASSOCIATION, INC. (ADAPSO)

INTEREST OF AMICI CURIAE

When Congress made the Copyright Act of 1976, 17 U.S.C. § 101 et seq., the exclusive remedy for claims of copyright infringement, and when it vested exclusive jurisdiction in the federal courts to hear copyright claims, it intended to provide a comprehensive mechanism to govern all copyright matters in this country, and to provide effective remedies for all copyright infringements. The district court nevertheless held that the Eleventh Amendment immunizes the states from the strictures of the Copyright Act.

Pursuant to the order granting their motion for leave to file, the Association of American Publishers, Inc.,

the Association of American University Presses, Inc., the Information Industry Association, and the Computer Software and Services Industry Association, Inc. (ADAPSO) submit this brief, amici curiae to urge this Court to reverse the judgment below. Amici represent hundreds of publishers, information brokers, and software houses who will have no meaningful protection from copyright infringement by states and state entities if the district court's decision is upheld.

The Association of American Publishers is a trade association of book publishers. Its approximately 300 members publish between 70% and 75% of the dollar volume of all books published in the United States. Its members' publications include textbooks and technical and reference books, as well as works of fiction and general non-fiction.

The Association of American University Presses is a not-for-profit association of university presses. Its 80 members include the presses of virtually every distinguished university in the United States, as well as several Canadian and international scholarly publishers.

The Information Industry Association is a trade association representing more than 500 information publishers and service organizations. Its members gather, organize and distribute a wide range of information products and services,

including databases and specialized reporters, to paying customers and subscribers.

The Computer Software and Services Industries Association (ADAPSO) is a trade association of this nation's computer software and services industry. Its 950 corporate members provide software for mainframe, mini- and microcomputers, professional software consulting, design, and programming services, integrated hardware/software systems, and network-based information services.

Amici and their members have a direct and compelling interest in this case. All depend on competitors' and customers' respect for the property rights guaranteed by § 106 of the Copyright Act. Most importantly, all market their copyrighted works to states and state entities.

#### ARGUMENT

In most Eleventh Amendment cases, "the issue is not the general immunity of the States from private suit . . . but merely the susceptibility of the States to suit before federal tribunals." Atascadero State Hospital v. Scanlon, 473 U.S. 234, 240 n.2 (1985) (emphasis in original) (quoting Employees v. Missouri Dep't of Public Health and Welfare, 411 U.S. 279, 293-94 (1973) (Marshall, J., concurring in result)). Thus, wherever the Eleventh Amendment has

been found to preclude federal court jurisdiction, some other forum has been available. See, e.g., Atascadero State Hospital v. Scanlon, 473 U.S. at 240 n.2 ("It denigrates the judges who serve on the State courts to suggest that they will not enforce the supreme law of the land"); Pennhurst State School and Hospital v. Halderman, 465 U.S. 89, 121-123 (1984) (requiring pendent state law claims to be brought in state court); Welch v. State Dep't of Highways, 107 S. Ct. 2941, 2953 n.19 (1987) (alternative forum available).

But no other forum except the federal courts is available for claims of copyright infringement. Congress gave the federal courts exclusive jurisdiction over copyright claims, 28 U.S.C. § 1338(a), and made federal suits under the Copyright Act the exclusive means to obtain relief, 17 U.S.C. § 301(a). The decision of the district court therefore leaves states and state entities free to disregard the Copyright Act and to violate the substantive property rights the Copyright Act guaranteed. The district court, in short, rendered not only a jurisdictional holding concerning the Eleventh Amendment, but also an extremely restrictive substantive holding concerning the scope of the Copyright Act. Its decision can be correct only if Congress intended to leave states free to infringe copyrights at will. There is, however, no evidence that Congress so intended, and extensive evidence exactly to the contrary.

The impact on copyright owners of a decision upholding the district court's judgment would be devastating. The states and their agencies and institutions use countless copyrighted materials of amici and others - text, reference and other books, training manuals, films, videos, computer software and on-line databases.<sup>1</sup> The district court's decision improperly gives states a license to appropriate and to widely disseminate copyrighted works without permission and without paying a purchase price or royalties.

The district court correctly realized that this case requires a two-pronged inquiry: (1) whether Congress, pursuant to a plenary power articulated in the Constitution, has the power to override the presumptive immunity of states from suit in federal court; and (2) whether Congress exercised this power in the Copyright Act to subject states to suits for damages in federal court. As to the first prong, the district court examined the many Eleventh Amendment decisions by the Supreme Court and properly concluded that these decisions allow Congress to abrogate state immunity to suit pursuant to any of its powers, particularly those specific and vital powers delegated in the Copyright and Patent Clause of the Constitution.

---

<sup>1</sup> See Note, The Applicability of Eleventh Amendment Immunity Under the Copyright Acts of 1901 and 1976, 36 Am. Univ. L. Rev. 163, 165 (1986).

As to the second prong, however, the district court erroneously concluded that Congress had not, in the Copyright Act, exercised its power to abrogate state immunity according to what the court believed were the controlling standards. The court's entire reasoning on this point was that § 501 of the Copyright Act -- which entitles the owner of a copyright "to institute any action for any infringement" by "anyone who violates" the copyright -- contains no "express statement that the state is included in the general phrase 'anyone.'" BV Engineering v. University of California, Los Angeles, 657 F. Supp. 1246, 1250 (C.D. Cal. 1987). The court thus ignored both the many provisions throughout the Copyright Act that manifested Congress' intent to abrogate state immunity, and the express statutory scheme that was plainly intended to provide claimants with a forum and effective remedies for copyright infringement no matter who the infringer might be. The court's conclusion is simply impossible to square with the congressional scheme for the full protection of intellectual property by the federal courts.

**I. THE COPYRIGHT CLAUSE EMPOWERS CONGRESS TO ABROGATE THE STATES' IMMUNITY TO SUIT FOR COPYRIGHT INFRINGEMENT IN FEDERAL COURT**

One of the "certain exceptions to the reach of the Eleventh Amendment," Welch v. State Dep't of Highways, 107 S. Ct. at 2945, arises when Congress, pursuant to its plen-

ary power, provides for a cause of action in federal court against the states:

Because of the Eleventh Amendment, States may not be sued in federal court unless they consent to it in unequivocal terms or unless Congress, pursuant to a valid exercise of power, unequivocally expresses its intent to abrogate the immunity.

Green v. Mansour, 474 U.S. 64, 68 (1985) (emphasis added).

The Copyright Act was enacted pursuant to a direct constitutional grant of power, the Copyright and Patent Clause, Art. I, § 8, cl. 8. As the district court correctly concluded, that constitutional source fully empowers Congress to abrogate the states' Eleventh Amendment immunity with respect to copyright, and to subject state entities -- in common with all other alleged copyright infringers -- to suit federal court.

There is no basis to doubt that Congress can rely on any of its powers (including those in Article I) to subject states to suit in federal court on federal causes of action. In Green v. Mansour, the Court did not limit Congressional power to the Fourteenth Amendment, but broadly declared that Congress may abrogate state immunity "pursuant to a valid exercise of power." In two other cases, the Court has assumed, without deciding, that Congress may abrogate state immunity under Article I. Welch v. State Dep't of

Highways, 107 S. Ct. at 2943; County of Oneida v. Oneida Indian Nation, 470 U.S. 226, 252-53 (1985).

Neither the Court nor any Justice has ever suggested a rationale that would give Congress the power to abrogate state immunity when it acts under Section 5 of the Fourteenth Amendment, a power expressly recognized in Fitzpatrick v. Bitzer, 427 U.S. 445 (1976), but not when it acts under its other plenary powers. In Welch v. State Dep't of Highways, the Court set forth the persuasive rationale for concluding that Congress does have authority to abrogate a state's immunity to suit in federal court under its other powers:

By ratifying the Constitution, the argument [for such an authority] runs, the States necessarily consented to suit in federal court with respect to enactments under [a Constitutional Clause authorizing Congressional regulation].

107 S. Ct. at 2947 n.5.

This rationale has been adopted by courts of appeal considering the issue, which have all concluded that there is no constitutionally significant way to distinguish Congress' Fourteenth Amendment power from any of its Article I powers. See In re McVey Trucking, Inc., 812 F.2d 311, 314-23 (7th Cir. 1987) (discussing Atascadero and its predecessors, and concluding, after extensive analysis, that the various Congressional plenary powers cannot be distinguished);



In Re Vazquez, Guerrero and Compton, 788 F.2d 130, 132 (3d Cir.), cert. denied, 107 S. Ct. 414 (1986) (abrogation of Eleventh Amendment immunity under Bankruptcy Clause); Mills Music, Inc. v. State of Arizona, 591 F.2d 1278, 1285 (9th Cir. 1979) ("[T]he Copyright and Patent Clause is a specific grant of constitutional power that contains inherent limitations on state sovereignty . . . . [I]t is clear that the abrogation of a state's Eleventh Amendment immunity is inherent in the Copyright and Patent Clause and the Copyright Act"); County of Monroe v. Florida, 678 F.2d 1124, 1132 n.8, 1133 (2d Cir. 1982), cert. denied, 459 U.S. 1104 (1983) (Congress may, pursuant to Art. IV, § 2, cl. 2, abrogate state immunity from suit on extradition-related claims); Peel v. Florida Dep't of Transportation, 600 F.2d 1070, 1080-81 (5th Cir. 1979) (Congress may abrogate state immunity in an act passed pursuant to the war powers in Art. I, § 8).

**II. IN THE COPYRIGHT ACT CONGRESS EXPRESSED IN UNMISTAKABLE LANGUAGE ITS CLEAR INTENTION TO ABROGATE STATE IMMUNITY**

If, as we have argued, Congress has the power to subject the defendant state university to liability for copyright infringement in federal court, then the only question remaining is whether Congress has exercised that power. This Circuit appears to have conclusively answered that question in a manner precluding any single panel from upholding the judgment below. Mills Music, Inc. v. State of Arizona, 591

F.2d 1278 (9th Cir. 1979). Assuming that the question is open, however, the answer to the question here is plainly "yes," under traditional standards, and even under the more demanding standards that the Supreme Court has recently announced.<sup>2</sup> In the Copyright Act, Congress clearly expressed its intent to abrogate state immunity both in specific statutory provisions and in a statutory scheme carefully designed to provide claimants with a forum in which to seek effective remedies for copyright infringement by any infringers, including states and state entities.

**A. Numerous Provisions of the Copyright Act Demonstrate Congress' Intention to Abrogate the Eleventh Amendment**

The Copyright Act encourages the production of artistic or literary works by granting authors and publishers valuable and enforceable rights, such as the exclusive rights to reproduce and distribute copyrighted works. § 106. Section 501(a) provides that "Anyone who violates any of the exclusive rights of the copyright owner . . . is an infringer

---

<sup>2</sup> Where, as here, upholding Eleventh Amendment immunity would entirely deprive a litigant of any forum to pursue a federal claim, the correct question the courts should ask is whether Congress has intended to create a cause of action against states, not whether it has intended to subject states to suit in federal court, and the stringent requirements of Atascadero State Hospital v. Scanlon, and Welch v. State Dep't of Highways, should not apply. But this court need not reach that conclusion since, as will be shown, even those stringent requirements are met here.

of the copyright" (emphasis added).<sup>3</sup> Infringers of copyright may be sued for damages and injunctions (§§ 502, 504).<sup>4</sup>

<sup>3</sup> This Court has already held that the Copyright Act's general authorization for suit against "anyone" is sufficiently broad to include the States. Mills Music, Inc. v. State of Arizona, 591 F.2d at 1285 (decided under § 101 of the 1909 Copyright Act, which authorized a civil suit for damages against "any person" who infringed a copyright) ("The language of the statute is sweeping and without apparent limitation, suggesting that Congress intended to include states within the class of defendants"). See also Johnson v. University of Virginia, 606 F. Supp. 321, 324 (D. Va. 1985) (reasoning that "the language of the 1976 Act is at least as sweeping, and probably more sweeping, than the language of the 1909 Act in identifying the class of defendants subject to copyright infringement suits" and concluding, based on Mills Music's analysis of the 1909 Act and the court's examination of the language of the 1976 Act, that "the 1976 Act waived the states' Eleventh Amendment immunity from liability for damages and equitable relief for copyright infringements").

<sup>4</sup> While under the district court's opinion some manner of injunctive relief may remain available, Congress could not have considered injunctions alone to be an adequate remedy for copyright infringement. By their nature, injunctions can merely "forestall future violations." United States v. Oregon State Medical Society, 343 U.S. 326, 333 (1952). Injunctions, unlike damages, do not provide any degree of recompense to aggrieved copyright owners for infringements that have already occurred, or for markets that have been substantially eroded, if not destroyed. Nor are they available without a likelihood of repeated harm by the infringing party. A limitation to injunctive relief would eliminate any real possibility of favorable settlement for copyright owners and would permit the continuation of infringing activity by great numbers of entities, until in each separate case the particular infringement happens to be detected and a injunction obtained. Moreover, it should be noted that copyright infringement, for example of computer software, is particularly unsusceptible to detection as compared to most wrongs traditionally remedied by injunctive relief. Injunctive relief is thus likely to be even less effective in forestalling serious harm than usual.

When the issue has been not whether Congress intended to create a remedy at all but only in what courts the remedy could be obtained, the Supreme Court has held that a mere "general authorization for suit in federal court" against a class of defendants that, in its generality, literally includes states does not, without more, demonstrate Congressional intent to subject states to suit in federal court. Welch v. State Dep't of Highways, 107 S. Ct. at 2961 (provision in Jones Act extending protection to "any seaman"); Atascadero State Hospital v. Scanlon, 473 U.S. at 246 (provision in Rehabilitation Act of 1973 granting remedies for violations by "any recipient of Federal assistance"). However, the consideration that express abrogation should be required where Congress may have intended suit in state court has no force in the copyright context, where the creation of an infringement cause of action against states was necessarily accompanied by an intent to abrogate the states' Eleventh Amendment immunity.

Of equal importance is the fact that, unlike statutes that the Supreme Court has recently found do not sufficiently indicate congressional intention to abrogate Eleventh Amendment immunity, the Copyright Act contains, in addition to the inclusive language in § 501(a), a variety of provisions that specifically show Congress' intent to bring the states within its reach, and to subject them to liability as infringing.

ers in the same manner as all other defendants, except where specific exemptions were carefully carved out.<sup>5</sup>

One of these provisions explicitly declares that "governmental bodies" (a term which includes states and state agencies)<sup>6</sup> may be liable as infringers of copyright:

§ 118(d)(3) provides that governmental bodies that receive a reproduction of a transmission program and fail to destroy the reproduction "shall be deemed to have infringed."

A series of exemptions further demonstrates Congress' intent to authorize suits against states in § 501(a). Some of these provisions explicitly refer to the activities of "states," and some use the broader collective term "governmental bodies". All reflect Congress' intention that states be subject to federal copyright suits except when their activities fall within the specifically designated

---

5 See In re McVey Trucking, 812 F.2d at 326 ("[I]n seeking to construe a statute, we do not view any provision in isolation. Rather, we seek to understand a given provision by determining how it fits into the larger statute of which it is a part.").

6 The phrase "governmental bodies" was used throughout the copyright revision program to include state entities. See House Comm. on the Judiciary, Copyright Law Revision, "Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law," 87th Cong., 1st Sess. at 129 (Comm. Print July 1961) (hereinafter "Register's Report"), expressly noting that the law contained "nothing to prevent governmental bodies, at least of the States, from securing copyright . . . ." (emphasis added). Cf. 11 U.S.C. § 101(26) ("governmental units" in Bankruptcy Code includes states).

exemptions. These statutory exemptions expressly and unmistakably demonstrate Congress' intent to abrogate state immunity; unless states were generally liable as infringers, there would have been no reason to provide exemptions for certain state activities.<sup>7</sup>

Thus, for example, § 602(a)(1) provides that the importation of certain material acquired outside the United States -- which § 602(a) renders "an infringement . . . , actionable under section 501" -- does not apply to

importation . . . under the authority or for the use of the Government of the United States or of any State or political subdivision of a State, but not

<sup>7</sup> See Penn Terra Ltd. v. Dep't of Environmental Resources, 733 F.2d 267, 271-72 (3d Cir. 1984) (concluding that Congress specifically intended to apply the automatic stay provision of § 362 of the Bankruptcy Code -- which by its terms applied to "all entities" -- to states, since "the fact that Congress created an exception to the automatic stay for certain actions by governmental units implies that such units are otherwise affected by the stay"). The Supreme Court used similar reasoning in holding, in Patsy v. Board of Regents, 457 U.S. 496 (1982), that exhaustion of state administrative remedies is ordinarily not a prerequisite to an action in federal court under 42 U.S.C. § 1983. The Court examined a statute enacted after § 1983 which created "a specific, limited exhaustion requirement for adult prisoners bringing actions pursuant to § 1983," id. at 508, and concluded that the exhaustion provisions of the more recent statute "make sense, and are not superfluous," only if Congress intended that § 1983 contain no general requirement of administrative exhaustion. Id. at 512. The exemptions in the Copyright Act for state activity similarly "make sense, and are not superfluous," only if Congress intended to abrogate state immunity and subject states to suit for copyright infringement.

including copies or phonorecords for use in schools, or copies of any audiovisual work imported for purposes other than archival use.

(emphasis added). In the absence of the § 602(a)(1) exemption, states would clearly be barred from engaging in, causing, or contributing to the prohibited activity, and subject to suit therefor.

Similarly, § 601(b)(3) (since lapsed) provided that the former ban on importation and distribution of certain foreign-manufactured copyrighted material described in § 601(a) did not apply

where importation is sought under the authority or for the use, other than in schools, of the Government of the United States or of any State or political subdivision of a State.

(emphasis added). The same reasoning applies. Congress' enactment of a specific exception proves that the general rule is that states are subject to the Copyright Act.<sup>8</sup>

<sup>8</sup> The legislative history of § 601(b)(3), which tracks the language of § 602(a)(1), reveals that these provisions pertain to activity by the state, not merely activity by private parties at the behest of the state: "Clause (3) permits importation of copies for governmental use, other than in schools, by the United States or by any State or political subdivision of a State." House Comm. on the Judiciary, Copyrights Act, H.R. Rep. No. 1476, 94th Cong., 2d Sess. 168, reprinted in 1976 U.S. Code Cong. & Admin. News 5659, 5784 (hereinafter "House Report") (emphasis added).

Other provisions that specifically exempt state activity from infringement suits confirm that states are otherwise subject to damage claims like all other infringers:

- § 110(1) (exempting performance or display by instructors or pupils in a nonprofit educational institution);<sup>9</sup>
- § 110(2) (exempting performance or display by a "governmental body" or nonprofit educational institution);
- § 110(6) (exempting "governmental bod[ies]" and nonprofit agricultural or horticultural organizations from vicarious liability for performances at "an annual agricultural or horticultural fair or exhibition conducted by such body or organization" (e.g., state fairs));<sup>10</sup>
- § 110(8) (exempting performance specifically designed for blind, deaf, or otherwise handicapped persons, if the performance is transmitted through the facilities of, e.g., "a governmental body");
- § 111(a)(4) (exempting the secondary transmission of a primary transmission embodying a performance or display if the secondary transmission is made by a "governmental body" or other nonprofit organization);

---

<sup>9</sup> See House Report, supra, at 5696 (exemption does not apply to "profit-making institutions such as dance studios and language schools" thus indicating that exemption does apply to state-supported educational institutions).

<sup>10</sup> See House Report, supra, at 5702 (exemption runs "only to the governmental body or nonprofit organization sponsoring the fair").



- § 112(b) (exempting certain copying by "a governmental body" or other nonprofit organization);
- § 112(c) (same as § 112(b));
- § 112(d) (same as § 112(b)).

**B. The Statutory Scheme Shows Congress' Intent to Abrogate the States' Eleventh Amendment Immunity**

Beyond these specific statutory provisions either rendering states liable as infringers or exempting particular state activities from infringement actions, Congress' intent to allow states to be sued in federal court for violating the Copyright Act is shown by the overall structure of the statutory scheme.

First, in § 106, Congress granted to copyright owners exclusive rights, subject only to carefully crafted exemptions. There is no indication that Congress intended these rights to be shared with fifty state governments.<sup>11</sup> Second, in § 301(a), Congress expressly preempted all state copyright laws -- and even state laws equivalent to copyright. Thus, states were not authorized to interfere in any way with the full protection afforded by Congress. Third, 28

---

<sup>11</sup> See Goldstein v. California, 412 U.S. 546, 560 (1973) (discussing, in a case considering a state's anti-piracy statute, the inherently broad reach of federal copyright protection: "When Congress grants an exclusive right or monopoly, its effects are pervasive; no citizen or State may escape its reach") (emphasis added).

U.S.C. § 1338(a) grants to the federal courts exclusive jurisdiction of all actions arising under the federal copyright laws. And fourth, the Copyright Act permits the states themselves to obtain copyright protection. Congress was well aware that states and state entities regularly obtained federal copyright protection for their works.<sup>12</sup> Congress did nothing to interfere with that practice.<sup>13</sup> It can hardly be assumed that Congress intended to permit the states regularly to take advantage of the full benefits of the Copyright Act and at the same time to be free of its obligations.

Under this statutory scheme, copyrights are broadly available and broadly protected, and all copyright claims must be brought in federal court, applying the federal copyright laws. By denying a federal forum to claimants who allege copyright violations by states, the district court

---

12 See Register's Report, supra, at 129 ("Almost every State in the Union has registered copyright claims in some of its informational publications"). See also Senate Comm. on the Judiciary, Copyright Law Revision Study No. 33, "Copyright in Government Publications," 86th Cong., 2d Sess. at 10 (Comm. Print 1961) ("Most of the States have enacted statutes for the securing of copyright in certain of their publications or in their publications generally. And even in the absence of any statute, almost every State has claimed copyright in some of its publications. A survey by the Copyright Office shows that during the 5-year period 1950 through 1954 about 4,700 copyright claims were registered in the name of a State or a State agency or in the name of an official on behalf of a State.")

13 See 1 M. Nimmer, Nimmer on Copyright § 5.06[A] n.1 (1986).

necessarily concluded that Congress intended to leave these claimants without a meaningful remedy, and to permit states to disregard the rights of copyright owners with impunity. There is not a shred of evidence to suggest that Congress so intended. To the contrary, the entire statutory scheme unmistakably expresses Congress' intent to provide damage remedies against states and to abrogate state immunity. To uphold the district court's decision would frustrate that express Congressional intent and eviscerate the comprehensive protections for intellectual property that Congress so carefully adopted. Nothing in the Eleventh Amendment requires that result.

#### CONCLUSION

Although it properly recognized that Congress has the power to abrogate state immunity when it acts pursuant to the Copyright Clause, the district court erred in its "reluctant" conclusion, 657 F.Supp. at 1250, that in passing the copyright laws Congress did not abrogate state immunity

with sufficient clarity to permit this suit to proceed. The judgment of the district court should therefore be reversed.

Dated: November 9, 1987  
New York, New York

Respectfully submitted,  
PROSKAUER ROSE GOETZ & MENDELSON

By: Michael A. Cardozo

300 Park Avenue  
New York, New York  
(212) 909-7032

Attorneys for Amici Curiae

Of Counsel:

Jon A. Baumgarten  
Charles S. Sims  
Christopher A. Meyer  
Andrew W. Reich

**Massachusetts  
Computer Software  
Council**

GENERAL COUNSEL  
OF COPYRIGHT

FEB 16 1988

RECEIVED

Comment Letter

RM 87-5

No. 36

January 29, 1988

Ms. Dorothy Schrader  
General Counsel  
U.S. Copyright Office  
Library of Congress  
Department 100  
Washington, D. C. 20559

Dear Ms. Schrader:

The Massachusetts Computer Software Council appreciates the opportunity to comment on the Request for Information, Eleventh Amendment.

We represent approximately 150 independent software companies in Massachusetts with over 8,000 employees.

We view this as an important public policy issue for the software industry and for governmental users of copyrighted works.

We assume that states and their instrumentalities, like everyone else, are subject to the copyright law. To have it any other way is not only wrong, but a serious threat to the industry, clearly impacting the economic viability of independent software companies.

While many of our member companies have only a small portion of their sales to state and federal governments, that percentage is increasing, thus amplifying the financial and market effects of sovereign immunity against copyright liability.

We urge you to protect companies' intellectual property rights, and not give license to some to misappropriate property from others.

581 Boylston Street  
Boston, Massachusetts 02116  
17/437-0600

*Chairman*  
John J. Cullinane  
Cullinet Software, Inc.

*President*  
Eric E. Vogt  
MicroMentor, Inc.

*Vice President*  
Michael D. Kinkead  
The Saddlebrook Corporation

*Secretary/Treasurer*  
Richard Rabins  
Alpha Software Corporation

William H. Bowman  
Spinaker Software Corporation

Daniel S. Bricklin  
Software Garden, Inc.

Karen E. Brothers  
Imagic, Inc.

Thomas P. Gerrity  
Index Group, Inc.

John B. Landry, III  
Cullinet Software, Inc.

Julian E. Lange  
Ontio Computer Products  
Corporation

Stephen A. Levine  
TEC Computer Systems, Inc.

Justus F. Lowe, Jr.  
SoftTech, Inc.

Mary E. Makela  
Cognos Corporation

Morton H. Rosenthal  
Corporate Software, Inc.

David Solomont  
Business and Professional  
Software, Inc.

Albert Vezza  
MIT Laboratory for Computer  
Science

Randall E. Wise  
Lotus Development Corporation

*Executive Director*  
Joyce L. Plotkin

Thank you for your consideration. We stand ready to assist you further, should you so desire.

Sincerely,

*Joyce L. Plotkin*  
Joyce L. Plotkin  
Executive Director

**Massachusetts  
Computer Software  
Council**

GENERAL COUNSEL  
OF COPYRIGHT

FEB 16 1988

RECEIVED

Comment Letter

RM 87-5

No. 36

*Chairman*  
John J. Cullinane  
Cullinet Software, Inc.

*President*  
Eric E. Vogt  
MicroMentor, Inc.

*Vice President*  
Michael D. Kinkead  
The Saddlebrook Corporation

*Secretary/Treasurer*  
Richard Rabins  
Alpha Software Corporation

William H. Bowman  
Spinnaker Software Corporation

Daniel S. Bricklin  
Software Garden, Inc.

Karen E. Brothers  
Imagic, Inc.

Thomas P. Gerrity  
Index Group, Inc.

John B. Landry, III  
Cullinet Software, Inc.

Julian E. Lange  
Ontio Computer Products  
Corporation

Stephen A. Levine  
TEC Computer Systems, Inc.

Iustus F. Lowe, Jr.  
Tech, Inc.

Mary E. Makela  
Cognos Corporation

Morton H. Rosenthal  
Corporate Software, Inc.

David Solomont  
Business and Professional  
Software, Inc.

Albert Vezza  
MIT Laboratory for Computer  
Science

Randall E. Wise  
Lotus Development Corporation

*Executive Director*  
Joyce L. Plotkin

581 Boylston Street  
Boston, Massachusetts 02116  
7/437-0600

January 29, 1988

Ms. Dorothy Schrader  
General Counsel  
U.S. Copyright Office  
Library of Congress  
Department 100  
Washington, D. C. 20559

Dear Ms. Schrader:

The Massachusetts Computer Software Council appreciates the opportunity to comment on the Request for Information, Eleventh Amendment.

We represent approximately 150 independent software companies in Massachusetts with over 8,000 employees.

We view this as an important public policy issue for the software industry and for governmental users of copyrighted works.

We assume that states and their instrumentalities, like everyone else, are subject to the copyright law. To have it any other way is not only wrong, but a serious threat to the industry, clearly impacting the economic viability of independent software companies.

While many of our member companies have only a small portion of their sales to state and federal governments, that percentage is increasing, thus amplifying the financial and market effects of sovereign immunity against copyright liability.

We urge you to protect companies' intellectual property rights, and not give license to some to misappropriate property from others.

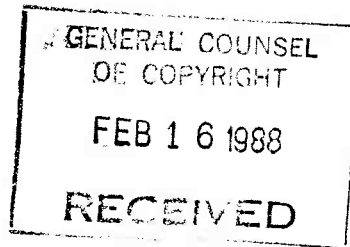
Thank you for your consideration. We stand ready to assist you further, should you so desire.

Sincerely,

*Joyce L. Plotkin*  
Joyce L. Plotkin  
Executive Director

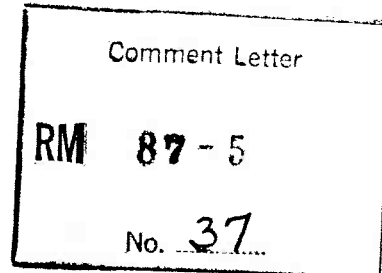


VU/TEXT Information Services, Inc.  
325 Chestnut Street  
Suite 13  
Philadelphia, PA 19101  
(215) 574-4400  
A Knight-Ridder Company



February 5, 1988

Office of the General Counsel  
Copyright Office  
Library of Congress  
Department 100  
Washington, DC 20559



Dear Ms. Schrader:

VU/TEXT appreciates the opportunity to comment on the Request for Information on the Eleventh Amendment. We view the matter of claims of immunity against damages for infringement of copyrighted works as the most pressing issue in domestic U.S. copyright policy.

At the outset, we would like to state that we are members of IIA and we join in the legal views expressed by the Information Industry Association in friend of the court briefs filed in Virginia and California. We had always assumed, as we believe had Congress, that states and their instrumentalities, like everyone else, are subject to the copyright law. We believe that the plaintiffs should prevail on the merits of this issue.

VU/TEXT relies on federal, state or city government (colleges, public libraries, etc.) for about 10-15% of its revenues. Our ability to offer our service at competitive rates would be endangered by states acquiring only one copy and downloading at will. Certainly the newspapers and other databases we carry online should be protected by copyright law.

Thank you for your consideration of our views. I would be happy to answer any further questions that you or your staff might have.

Yours truly,

*Donna S. Willmann*

Donna S. Willmann  
Director of Marketing

DSW/s

Before the  
Copyright Office, Library of Congress  
Washington, D.C. 20559

In the Matter of  
Request for Information  
  
State Sovereign Immunity  
from Copyright Infringement  
Suits under the  
Eleventh Amendment

GENERAL COUNSEL  
OF COPYRIGHT

FEB 16 1988

RECEIVED

Comment Letter

RM 87-5

No. 38

COMMENTS  
NATIONAL ASSOCIATION OF BROADCASTERS

The National Association of Broadcasters ("NAB") 1/  
hereby files comments in response to the request for  
information by the Copyright Office 2/ regarding whether the  
Eleventh Amendment, as interpreted in recent court decisions, 3/

1/ NAB is a nonprofit incorporated association of radio and television broadcast stations and networks. NAB membership includes more than 5000 broadcast radio stations, 940 television stations and the major commercial broadcast networks. Virtually all of these entities produce copyrighted programming. NAB also produces many copyrighted materials for use by its members and others and has many associate members who produce and syndicate copyrighted programs and other materials.

2/ Notice of Request for Information, Eleventh Amendment, 52 Fed. Reg. 42, 045 (November 2, 1987) [hereinafter "Notice"].

3/ See, BV Engineering v. Univ. of Cal., Los Angeles, 657 F.Supp. 1246 (C.D. Cal. 1987), appeal docketed, No. 87-5920 (9th Cir. May 13, 1987); Mihalek Corp. v. Michigan, 595 F.Supp. 903 (E.D. Mich. 1984), aff'd on other grounds, 814 F.2d 290, modified, 821 F.2d 327, (6th Cir. 1987), cert. denied, 56 U.S.L.W. 3414 (U.S. Dec. 16, 1987) (No. 87-674); Cardinal Indus. v. Anderson Parrish Assoc., No. 83-1038 (M.D. Fla. Sept. 6, 1985), aff'd, 811 F.2d 609 (11th Cir. 1987) (unpublished opinion), cert. denied, Cardinal Industries v. King, 56 U.S.L.W. 3243 (U.S. Oct. 5, 1987) (No. 86-1941); Richard Anderson Photography v. Radford University, 633 F.Supp. 1154

bars suit against a state for copyright infringement.

I. **FEDERAL COPYRIGHT PROTECTION**

Congressional power to legislate in the field of copyrights is derived from Art. I §8 Cl. 8, which empowers Congress "[t]o promote the Progress of Science and useful Arts, by securing for limited Times to Authors . . . the exclusive Right to their . . . Writings . . . ." To protect the proprietary interest in copyrights, Congress has enacted copyright legislation granting copyright holders the right to exclude others from using their copyrighted material without prior permission. 4/ Section 106 of the 1976 Act gives the copyright holder the exclusive right to authorize reproduction, prepare derivative works, distribute copies, and perform or display the work publicly. 17 U.S.C.A. § 106 (1976 & Supp. 1987).

The purpose of statutory copyright law is to ensure general benefits for the public from the labors of authors and inventors. The Supreme Court in Mazer v. Stein, 347 U.S. 201,

(W.D. Va. 1986), appeal docketed, No. 87-1610 (4th Cir. May 21, 1987) (oral arguments were heard Nov. 2, 1987); Woelffer v. Happy States of America, Inc., 626 F. Supp. 499 (N.D. Ill. 1985).

4/ The original copyright statute was enacted in 1790, Act of May 31, 1790, ch. 15, 1 Stat. 124 (1790), and extensively amended: 1831, Act of Feb. 3, 1831, ch. 16, 4 Stat. 436 (1831); 1870, Act of July 8, 1870, ch. 230, 16 Stat. 198 (1870); 1909, Act of Mar. 4, 1909, ch. 320, 35 Stat. 1075 (1909); and most recently, 1976, Act of Oct. 19, 1976, Pub. L. No. 94-553, 90 Stat. 2541 (1976), codified at 17 U.S.C. §§ 101-810 (1983).

219, 74 S.Ct. 460, 98 L.Ed. (1954), stated the purpose of copyright protection as follows:

The economic philosophy behind the clause empowering Congress to grant patents and copyrights is the conviction that encouragement of individual effort by personal gain is the best way to advance public welfare through the talents of authors and inventors in 'Science and Useful Acts.'

More recently in Sony Corp. v. Universal City Studios, Inc., 464 U.S. 417, 429, 104 S.Ct. 774, 782, 78 L.Ed.2d 574 (1984), the Court stated the purpose of the limited monopoly granted to copyright owners as follows:

It is intended to motivate the creative activity of authors and inventors by the provision of a special reward, and to allow the public access to the products of their genius after the limited period of exclusive control has expired.

The Court conceded that to achieve these benefits involves balancing the interests of authors and inventors in controlling the exploitation of their writings and discoveries on the one hand, and the interest of society in the free flow of ideas, information, and commerce on the other hand. 464 U.S. at 429, 104 S.Ct. at 782.

In the copyright revisions of 1976, the legislative history of the Act establishes that Congress clearly was concerned with creating a single federal system to replace the then existing dual system. Congress stated the purpose of federal preemption of copyright protection embodied in Section 301 of the Act as follows:

One of the fundamental purposes behind the copyright clause of the Constitution, as shown in Madison's comments in *The Federalist*, was to promote national

uniformity and to avoid the practical difficulties of determining and enforcing an author's rights under the differing laws and in the separate courts of the various States. Today, when the methods for dissemination of an author's work are incomparably broader and faster than they were in 1789, national uniformity in copyright protection is even more essential than it was then to carry out the constitutional intent.

H.R. Rep. No. 94-1476, 94 Cong., 2d Sess. 131, reprinted in 1976 U.S. Code Cong. & Admin. News 5746. Congress intended that federal copyright protection would be applicable against any infringer. In Goldstein v. California, 412 U.S. 546, 560, 93 S.Ct. 2303, 37 L.Ed.2d 163 (1973),<sup>5/</sup> the Court stated "when Congress grants an exclusive right or monopoly, its effects are pervasive; no citizen or State may escape its reach."

There are, however, exceptions to the exclusive use by the owner of copyrighted material. Sections 107 through 118 of the Copyright Act contain limitations on the exclusive rights of copyright owners. These limitations mean that one need not seek prior permission or pay a royalty when using copyrighted materials under the terms of the limitation. The use is granted by the statute, not by the copyright owner. For example, Section 107 permits the "fair use" of copyrighted

---

<sup>5/</sup> In Goldstein, the Supreme Court upheld a state criminal statute despite a preemption objection. The state statute prohibited the pirating or unauthorized recording of phonographs, which at the time was not a violation of federal copyright law. Although the Court was concerned with federal preemption in the copyright field, the decision reflects a recognition of the importance of a national forum for resolving federal copyright infringement lawsuits for works covered by the federal statute.

material, Section 108 provides a special exemption for libraries and archives, and Section 110 provides exemption on the use of copyrighted material for teaching and instruction purposes. Significantly, Congress provided no such exemption for the use of copyrighted materials by states.

The scope of federal copyright protection against unauthorized use of copyrighted material is broad. Under current law, the federal government has expressly consented to be sued in the U.S. Court of Claims. 28 U.S.C.A. § 1498(b) (1973 & Supp. 1987). Money damages are the sole remedy for violations by the federal government; injunctive relief is not available. 28 U.S.C. §1498(b). Federal District Courts have original jurisdiction in civil suits for infringement of copyrights. 28 U.S.C. §1338(a) (1976 & Supp. 1987). Section 301(a) of the Copyright Act of 1976 expressly preempts state law copyright protection for all original works of authorship fixed in any tangible medium of expression, while sections 501 through 510 provide for the award of compensatory and injunctive relief by federal courts for copyright infringement. 17 U.S.C.A. §§ 301 and 501-510 (1977 & Supp. 1987).

Under the circumstances, copyright proprietors have a great economic stake in the resolution of this issue. NAB believes that the exclusive rights of copyright owners would be illusory and severely diminished if states were permitted to infringe those rights with impunity.

II. CONSTITUTIONAL CONSIDERATIONS INVOLVING STATE SOVEREIGN IMMUNITY

The Eleventh Amendment provides: "The Judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by Citizens of another State, or by Citizens or Subjects of any Foreign State." U.S. Const. Amend. XI.<sup>6/</sup> The fundamental purpose of this jurisdictional bar is to limit the grant of judicial authority <sup>7/</sup>embodied in Art.

III of the Constitution. <sup>8/</sup> The defense of sovereign immunity is a jurisdictional bar protecting unconsenting states from suit, Edelman v. Jordan, 415 U.S. 651, 678, 94 S.Ct. 1347, 39 L.Ed.2d 662 (1974). Thus, as a threshold matter, a federal court must examine each claim in a case to see if the court's jurisdiction over the claim is barred by the Eleventh Amendment, County of Oneida v. Oneida Indian Nations, 470

<sup>6/</sup> The Eleventh Amendment was passed in response to the Supreme Court decision in Chisholm v. Georgia, 2 U.S. (2 Dall.) 419, 1 L.Ed. 440 (1793). In Chisholm, the Court allowed a citizen of South Carolina to sue the state of Georgia to collect a debt. The Court decided the jurisdictional issue solely on the basis of the language of Article III, Section 2 of the Constitution, which extends federal judicial power to suits between a state and citizens of another state. 2 U.S. (2 Dall.) at 420.

<sup>7/</sup> Welch, supra, 107 S.Ct. at 2945.

<sup>8/</sup> Article III, § 1 provides in part: "The judicial Power of the United States, shall be vested in one Supreme Court, and in such inferior courts as Congress may from time to time ordain and establish." Section 2 provides in part: "The judicial Power shall extend to all cases, in law and equity, arising under this Constitution, the laws of the United States." U.S. Const. art. III.

U.S. 226, 251, 105 S.Ct. 1245, 1260, 84 L.Ed.2d (1985).

This principle of sovereign immunity embodied in the Eleventh Amendment has been judicially construed to extend to a "suit by private parties [against public officials] seeking to impose a liability which must be paid from public funds in the state treasury." Edelman, supra, 415 U.S. at 663, 94 S.Ct. at 1356. Moreover, even though the expressed terms of the Amendment refer only to suits by citizens of another state, the Supreme Court has held that the Eleventh Amendment bars a citizen from bringing suit against the citizen's own state in federal court. Papasan v. Allain, 478 U.S. \_\_\_, \_\_\_, 106 S.Ct. 2932, 2939, 92 L.Ed.2d 209 (1986); Green v. Mansour, 474 U.S. 64, 74, 106 S.Ct. 423, 425-26, 88 L.Ed.2d 375 (1985); Atascadero State Hospital v. Scanlon, 473 U.S. 234, 247, 105 S.Ct. 3142, 3150, 87 L.Ed.2d 171 (1985); Hans v. Louisiana, 134 U.S. 1, 10, 10 S.Ct. 504, 506, 33 L.Ed. 842 (1890). Moreover, a state violation of a federal statute does not constitute consent to suit in federal court. County of Oneida v. Oneida Indian Nations, 470 U.S. 226, 251, 105 S.Ct. 1245, 1260, 84 L.Ed.2d 169 (1985).

Most recently, in Welch v. Texas Dept. of Highways & Public Transp., 483 U.S. \_\_\_, 107 S.Ct. 2941, 97 L.Ed.2d 389 (1987), the Supreme Court in affirming the judgment of the appellate court, addressed in depth the central issues raised in cases involving the Eleventh Amendment: 1) whether Congress has the power to abrogate state sovereign immunity; 2) whether



Congress has expressed such an intent in the language of the statute; and 3) whether the Court should overrule Hans v. Louisiana, 134 U.S. 1, 10, S.Ct. 504, 33 L.Ed. 842 (1890).

Welch involved a suit by an employee of a state-operated ferry system who sued the state under the Jones Act, 46 U.S.C. §688, which provides for suit by "any seaman who . . . suffers personal injury in the course of his employment . . . ." The Court was first confronted with whether the Jones Act abrogated the state's Eleventh Amendment immunity from suit. The Court conceded that Congress has the authority pursuant to Section 5 of the Fourteenth Amendment to abrogate the state's sovereign immunity under the Eleventh Amendment. 107 S.Ct. at 2946. The Court, however, citing County of Oneida v. Oneida Indian Nation, 470 U.S. 226, 252, 105 S.Ct. 1245, 1261, 84 L.Ed.2d 169 (1985), assumed without deciding that Congress may possess the authority to abrogate state sovereign immunity under another provision of the Constitution. 9/ Id., at 2946-47.

9/ Compare, U.S. v. Union Gas Co., 832 F.2d 1343, 1350-1356 (3rd Cir. 1987) (Congress may abrogate state sovereign immunity under Art. 1 of the Constitution), quoting Matter of McVey Trucking, Inc., 812 F.2d 311, 320 (7th Cir. 1987), cert. denied, 56 U.S.L.W. 3268 (U.S. Oct. 13, 1987) (No. 86-1847) (by adopting the federal constitution states have consented to be sued when Congress, acting pursuant to its plenary powers under Art. 1, creates laws to impose a monetary judgment on the states) (citing Garcia v. San Antonio Metropolitan Transit Authority, 469 U.S. 528, 105 S.Ct. 1005, 83 L.Ed.2d 1016 (1985)); accord, BV Engineering v. Univ. of Cal., Los Angeles, 657 F.Supp. 1246, 1247 (C.D. Cal. 1987); Roth v. Pritikin, 710 F.2d 934, 939, (2d Cir. 1983), cert. denied, 464 U.S. 961, 104 S.Ct. 394, 76 L.Ed.2d 337 (1983) ("[a]n interest in a copyright is a property right protected by the due process

According to the Court, however, whether Congress had the power to abrogate the state's Eleventh Amendment immunity from suit by enacting the Jones Act did not have to be reached since Congress "[did] not express in unmistakable statutory language its intention to allow States to be sued in federal court under the . . . Act," (quoting Atascadero State Hospital v. Scanlon, supra, 473 U.S. at 246, 105 S.Ct. at 3149), therefore, state's were not subject to suit under the Act. The Court, in rejecting its analysis in Parden v. Terminal Railway of Ala. Docks Dept., 377 U.S. 184, 190, 84 S.Ct. 1207, 1211, 12 L.Ed.2d 233 (1964), held that "Parden's discussion of congressional intent to negate Eleventh Amendment immunity is no longer good law" and to the extent that "Parden is inconsistent with the requirement that an abrogation of Eleventh Amendment immunity by Congress must be expressed in unmistakably clear language, it is overruled." Id., at 2948. Thus, "[a] general authorization for suit in federal court is not the kind of unequivocal statutory language sufficient to abrogate the Eleventh Amendment." Atascadero, 437 U.S. at 246, 105 S.Ct. at 3149. Finally, the Court addressed the dissent's principal argument that the Court's decision in \_\_\_\_\_ and just compensation clauses of the Constitution"), accord, Webb's Fabulous Pharmacies, Inc. v. Beckwith, 449 U.S. 155, 160, 101 S.Ct. 446, 66 L.Ed.2d 358 (1980) (Fifth Amendment prohibition against government taking of private property without just compensation applies against states through the Fourteenth Amendment); Mills Music, Inc. v. Arizona, 591 F.2d 1278, 1285 (9th Cir. 1979) ("Congress has acted pursuant to the copyright and patent clause to regulate the commercial disposition of a certain property right").

Hans v. Louisiana, 134 U.S. 1, 10 S.Ct. 504, 33 L.Ed. 842 (1890), which prohibits suits by citizens against their own states and suits involving federal questions, should be overruled since the Eleventh Amendment does not expressly prohibit such suits. In his dissent, Justice Brennan argued that "[t]he doctrine . . . is pernicious . . . [because it] protect[s] the States from the consequences of their illegal conduct." Brennan, J. dissenting at 2970.

In Hans, a citizen of Louisiana brought suit against the state in federal court alleging that Louisiana's failure to pay interest on state bonds violated the contract clause. The Court, acknowledging that Welch presented the fourth recent effort to overturn Hans, however, stressed that the Eleventh Amendment plays a vital role in our federal system, noting that "the significance of the Amendment lies in its affirmation that the fundamental principle of sovereign immunity limits the grant of judicial authority in Art. III of the Constitution." Id., at 2945, (quoting Pennhurst State Hospital v. Halderman, 465 U.S. 89, 98, 104 S.Ct. 900, 906-907, 79 L.Ed.2d 67 (1984); see also, Employees v. Missouri Dept. of Public Health and Welfare, 411 U.S. 279, 292, 93 S.Ct. 1614, 1621-22, 36 L.Ed. 2d 251 (1973) (Marshall, J., concurring in the result) (constitution does not grant authority to federal courts to entertain a suit brought against a state by its citizens); Monaco v. Mississippi, 292 U.S. 313, 328-331, 54 S.Ct. 745, 750-751, 78 L.Ed. 1282 (1934) (states are immuned

from suits, absent their consent, brought against them by their own citizens).

The majority resolves the challenge to the Eleventh Amendment prohibiting suits against state's where a federal question is involved by holding that the text of the Eleventh Amendment prohibits "any suit in law or equity" against an unconsenting state and that "federal question actions are unquestionably suits in law and equity." Welch, 107 S.Ct. at 2952. The majority noted, however, that under circumstances when states are not liable to suit is "a necessary consequence of their role in a system of dual sovereignties." Welch, 107 S.Ct. at 2953.

There are, however, exceptions to the defense of sovereign immunity. In Fitzpatrick v. Bitzer, 427 U.S. 445, 456, 96 S.Ct. 2666, 2671, 49 L.Ed.2d 614 (1976), the Court held that the Eleventh Amendment "necessarily [is] limited by the enforcement provisions of §5 of the Fourteenth Amendment"<sup>10/</sup> and thus, Congress has the power to abrogate a state's sovereign immunity pursuant to its powers to legislate under the Constitution. Welch, 483 U.S. at \_\_\_\_\_, 107 S.Ct.

---

<sup>10/</sup> Section 1 of the Fourteenth Amendment provides in part: "No state shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any state deprive any person of life, liberty, or property, without due process of law; nor deny any person within its jurisdiction the equal protection of the laws." U.S. Const. amend. XIV, § 1. Section 5 of the Fourteenth Amendment further provides: "The Congress shall have power to enforce, by appropriate legislation, the provisions of this article." U.S. Const. amend. XIV, § 5.

at 2946; Atascadero, 473 U.S. at 238, 105 S.Ct. at 2946. Moreover, a state may waive the immunity and consent to be sued in federal court. Welch, 483 U.S. at \_\_\_, 107 S.Ct. at 2945; Atascadero, 473 U.S. at 238, 105 S.Ct. at 3145; Clark v. Barnard, 108 U.S. 436, 447, 2 S.Ct. 878, 883, 27 L.Ed. 780 (1883). The Court, however, will find a waiver by the state "only where stated 'by the most express language or by such overwhelming implications from the text as [will] leave no room for any other reasonable construction.'" Welch, 483 U.S. at \_\_\_, 107 S.Ct. at 2946; Edelman v. Jordan, supra, 415 U.S. at 673, 94 S.Ct., at 1360 (quoting Murray v. Wilson Distilling Co., 213 U.S. 151, 171, 29 S.Ct. 458, 464, 53 L.Ed. 742 (1909)). A state official may be barred from unlawful conduct through injunctive relief. Ex Parte Young, 209 U.S. 123, 28 S.Ct. 441, 52 L.Ed. 714 (1908).<sup>11/</sup>

A state's constitutional interest in sovereign immunity extends beyond whether it may be sued, but also encompasses where it may be sued. In Pennhurst State School & Hospital v. Halderman, 465 U.S. 89, 99, N.9, 104 S.Ct. 900, 907, N.9, 79 L.Ed. 2d 67 (1984) (Pennhurst II), the Court acknowledged that a state does not waive Eleventh Amendment immunity in federal courts merely by waiving sovereign immunity in its own courts. C.f., 52 Fed.Reg. at 42,046 n.4. (states

---

<sup>11/</sup> In Papason v. Allain, the Court held that injunctive relief, permitted by its decision in Young, "designed to end a continuing violation of federal law is necessary to vindicate the federal interest in assuring the supremacy of that law." 106 S. Ct. at 2940.

which permit citizens to collect monetary damages against the state for copyright infringement).

III. SOVEREIGN IMMUNITY IN FEDERAL COPYRIGHT LITIGATION

The Supreme Court has yet to rule on this issue. Recently, the Court denied certiorari in two cases. Several federal courts, however, have decided the issue with mixed results.

In Howell v. Miller, 91 F. 128 (6th Cir. 1898), the court was confronted with a suit appealing the denial of an injunction against state officials, who acting pursuant to state legislation, had prepared an annotated guide to the laws of Michigan which appellant contended infringed the copyright of a similar annotated code created by him. Although the court did not find an infringement of Howell's copyright by Miller, the court set forth a number of principles regarding the constitutional validity of copyright infringement suits against states and state officials. The court acknowledged that a party with a valid copyright may seek injunctive relief in federal court against a state official from infringing his rights under the copyright laws of the United States. Id., at 137. This right to injunctive relief, the court noted, was founded on the supremacy of "legislation of Congress enacted under the authority of the Constitution of the United States." Id. Moreover, the court held that federal courts have jurisdiction under the copyright law to grant injunctive

relief against state officials for "violation of any right secured by the laws respecting copyrights, and "[t]he jurisdiction conferred by statute [was] in harmony with the principles of equity jurisprudence as recognized at the time of the adoption of the Constitution." Id. The reasoning in Howell is consistent with the decision in Ex Parte Young, supra, where the Supreme Court some ten years later held that granting injunctive relief to prevent continued violations of federal law by state officials was constitutional.

More than half a century later in Wihtol v. Crow, 309 F.2d 777 (8th Cir. 1962), a composer of a copyrighted song sued a music director and the Iowa school district for whom he worked for injunctive relief and damages for copyright infringement of his song. Although finding that copyright infringement had occurred, the appellate court, in reversing the district court ruling, held that the Eleventh Amendment's bar to federal suits against states precluded federal court jurisdiction to hear the claim of copyright infringement against the school district. The court reasoned that the school district, as part of the state's educational system, was a state instrumentality engaged in performing a state governmental function under state law and at state expense. 309 F.2d at 782. Since potential damages would be paid from funds in the state treasury, the federal district court lacked jurisdiction to hear the complaint. Id. The Court reached this conclusion, however, without any substantive discussion

of either Eleventh Amendment jurisprudence or the question whether the defense of sovereign immunity against suit embodied in the Amendment should be applied in copyright infringement suits.

By contrast, in Mills Music, Inc. v. Arizona, 591 F.2d 1278 (9th Cir. 1979), the court discussed in depth the applicability of the Eleventh Amendment to suits against states and their instrumentalities for copyright infringement. The litigation involved a suit by a music publisher against the State of Arizona and its Coliseum Board for damages and injunctive relief for the willful infringement of a musical composition copyrighted under the Copyright Act of 1909. 591 F.2d at 1280. Although the 1909 Act did not explicitly render states subject to suit for copyright infringement, the Ninth Circuit rejected the holding in Wihtol, supra, and held that the State of Arizona was not immune from suit for copyright infringement because the state waived its Eleventh Amendment immunity "when Congress has authorized suit against a class of defendants that includes states, and the state enters into the activity regulated by federal law." 591 F.2d at 1283. Following the analyses set forth in Supreme Court cases 12/ involving the Eleventh Amendment, the court reasoned that "Congress ha[d] acted . . . to regulate the commercial disposition of a certain property right . . . , " and that

---

12/ Parden v. Terminal Railway, 377 U.S. 184 (1964); Employees v. Department of Public Health & Welfare, 411 U.S. 279 (1973); Edelman v. Jordan, 415 U.S. 651 (1974).



"the sweeping language used by Congress, acting pursuant to the Copyright and Patent Clause, [was] sufficient indication of the intent to include states within the class of defendants" subject to suit for violation of the Act. 591 F.2d at 1285. The court noted that the financial burden on a state is small compared with the impediment to federal policy resulting from a failure to bring states within the scope of the Act's sanctions. Thus, the court concluded that it was clear that "abrogation of a state's Eleventh Amendment immunity is inherent in the Copyright and Patent Clause and the Copyright Act." Id.

The recent federal district court decisions, however, which have held that states and state governmental instrumentalities are immune from suits for money damages in copyright infringement litigation have rejected the holding in Mills Music, supra, while seeming to grasp the principle, if not the reasoning, of Wihtol, supra. These decisions by the federal courts <sup>13/</sup> reflect the court's application of the Supreme Court's decision in Atascadero, supra, prohibiting suits against states for money damages where federal legislation does not explicitly abrogate Eleventh Amendment immunity. In each case, the court has held that federal copyright law does not explicitly abrogate state sovereign immunity embodied in the Eleventh Amendment, thus the states are not subject to federal court jurisdiction for money damages

---

<sup>13/</sup> See n. 3, supra.

in a suit for copyright infringement. Only Johnson v. University of Virginia, 606 F.Supp. 321 (W.D. Va. 1985), applying the reasoning in Mills Music, has held that federal statutory copyright protection permits copyright infringement suits for money damages against states. This case was decided before Atascadero and the holding was later rejected by the court in Richard Anderson Photography v. Radford University, 633 F.Supp. 1154, 1160 (W.D. Va. 1986) (appeal pending).<sup>14/</sup>

The Supreme Court has not recently addressed these issues. The Court has let stand recent lower court decisions in Mihalek Corp. v. Michigan and Cardinal Indus. v. Anderson Parrish Assoc., <sup>15/</sup> upholding the defense of state sovereign immunity against suit in copyright infringement litigation. In Mihalek Corp., questions presented for review to the Court can be summarized as follows:

(1) whether states, and their employees, officers, and officials are entitled to immunity from suit for damages and injunctive relief as a result of alleged copyright infringement; (2) whether intellectual property rights are considered property under the Fifth Amendment; and (3) what are the standards or tests for copyright infringement and the taking of intellectual property under the Fifth Amendment. 56 U.S.L.W. 3418 (U.S. Dec. 15, 1987) (No. 87-674). The issues in Cardinal Indus. where framed as: (1) whether states sued

<sup>14/</sup> See n. 3, supra.

<sup>15/</sup> See n. 3, supra.

for copyright infringement, in violation of the 1976 Copyright Act, are entitled to immunity under the Eleventh Amendment; (2) whether state employees sued for copyright infringement in their official capacity are entitled to immunity from injunctive relief under the Eleventh Amendment; and (3) whether state employees sued for copyright infringement in their individual capacity are entitled to immunity under the Eleventh Amendment. 56 U.S.L.W. 3019 (U.S. July 21, 1987) (No. 1941).

Currently on appeal before the Ninth Circuit is BV Engineering v. Univ. of Cal., Los Angeles, 657 F.Supp. 1246 (C.D. Cal. 1987). <sup>16/</sup> Although concluding that Congress "may abrogate state immunity pursuant to any of its plenary powers," <sup>17/</sup> the district court reasoned that "a state is presumptively immune from suit in a federal court even if the cause of action arises under federal law." 657 F.Supp. at 1248. In holding that Mills Music was no longer good law following the decision in Atascadero, the court held that this presumption exists, subject to congressional abrogation of the immunity. 657 F.Supp. at 1249. In an amicus brief filed in opposition to the decision of the district court, it is persuasively argued that Congress can abrogate Eleventh Amendment sovereign immunity under its plenary powers, and that Congress has expressed in unmistakable language its intent to abrogate state immunity from suit in copyright infringement

---

<sup>16/</sup> See n. 3, supra.

<sup>17/</sup> See n. 6, supra.

cases. Brief Amici Curiae of the Association of American Publishers, et al. (No. 87-5920) (9th Cir. Nov. 17, 1987). NAB concurs with these positions.

IV. CONCLUSION

NAB believes that the Court's holding in Goldstein v. California, supra, clearly establish that Congress has the power under the Copyright Clause of the Constitution and under its plenary powers to subject states to liability for monetary damages resulting from their infringement of another's copyright. While NAB also believes that in the Copyright Act of 1976 Congress expressed its intent that states be subjected to suit in federal court for monetary damages, NAB is concerned by the recent federal court decisions that apparently have rejected this view. NAB's concern is that the holdings in these cases will embolden states to disregard the rights of copyright owners, thereby seriously undermining the intent of the copyright laws to "encourage . . . individual effort by personal gain . . . [and] to advance public welfare through the talents of authors and inventors." Mazer v. Stein, supra at 219. NAB is also concerned that these cases could result in the adoption of a hodge podge of differing levels of state recognition of copyright interests such that one state would allow its agencies to ignore or willfully infringe copyrights while a neighboring state allowed its agencies to be sued for

such conduct. Such lack of uniformity and confusion is precisely what Congress sought to remedy in 1976 when it observed that "[o]ne of the fundamental purposes behind the copyright clause . . . was to promote national uniformity and to avoid the practical difficulties of determining and enforcing an author's rights under the differing laws and in the separate courts of the various states." H.R. Rep. No. 94-1476, supra. A failure to recognize this fundamental purpose of federal copyright law will leave owners of works infringed by states a right without a remedy.

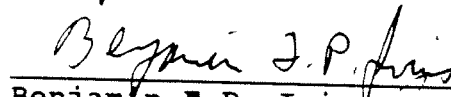
Notwithstanding the recent holdings of cases to the contrary, NAB is hopeful that the Ninth Circuit's pending review of BV Engineering supra and the Fourth Circuit's pending review of Richard Anderson Photography, supra, ultimately will result in a clarification that Congress did intend to subject states to monetary liability for copyright infringement. Accordingly, it would be premature for Congress to expend its resources to intervene in this issue at this juncture. In the event these cases result in a more definitive judicial conclusion that Congress has not sufficiently clarified its intent with respect to requiring states to be accountable for copyright infringement, NAB would then urge Congress to provide any such clarification that might be necessary. In the interim, NAB urges the Copyright Office to express its view in all appropriate forums that the federal

copyright laws are, and should be fully applied to acts of  
infringements by states.

Respectfully submitted,

NATIONAL ASSOCIATION OF  
BROADCASTERS  
1771 N Street, N.W.  
Washington, D.C. 20036

  
Henry L. Baumann

  
Benjamin F.P. Ivins

  
Keith Townsend

Counsel

February 16, 1988



GENERAL COUNSEL  
OF COPYRIGHT

FEB 16 1988

RECEIVED

Comment Letter

RM 87-5

No. 39

February 10, 1988

Dorothy Schrader, Esq.  
General Counsel  
Library of Congress  
Department 100  
Washington, D.C. 20559

Dear Ms. Schrader:

Re: COMMENTS OF SESAC, INC. ON COPYRIGHT INFRINGEMENT AND  
STATES' ELEVENTH AMENDMENT IMMUNITY

Thank you for extending the deadline with respect to the  
above-captioned Comments from February 15th to February 17th,  
1988.

As we discussed, please find enclosed Eugene Girden's memo-  
randum concerning the Eleventh Amendment and Copyright law  
which he used as a basis for his discussion of that topic  
at the Copyright Luncheon Circle last week.

Sincerely,

*Steve Gordon*  
Steven R. Gordon  
Attorney

afs  
Enc.

GENERAL COUNSEL  
OF COPYRIGHT

FEB 16 1988

RECEIVED

MEMORANDUM

COPYRIGHT LUNCHEON CIRCLE ADDRESS  
February 5, 1988

*Attachment*  
Comment Letter

RM 87-5

No. 39

"Did Congress, By Passing The Copyright Act, abrogate a state's Eleventh Amendment Immunity From Copyright Infringement Actions?"

General Discussion

The Eleventh Amendment grants the states immunity from private actions brought in federal court. The immunity, however, is not absolute. A state may waive its immunity and, under certain circumstances, Congress can abrogate it.

I do not have the time today, nor the inclination, to deal with such an important issue as to whether the alleged infringing state functionary is an arm of the state entitled to Eleventh Amendment protection, nor will I focus on the equally important question of a state's waiver of such immunity.

The core question on which I am focusing is whether, by passing the Copyright Act of 1976 Congress has abrogated state immunity, meeting the rigid standards set forth by Justice Lewis Powell in Atascadero State Hospital v. Scanlon 473 U.S. 234 (1985) requiring that abrogation pursuant to the



enforcement provision of the Fourteenth Amendment requires an unequivocal indication of Congress' intent to so abrogate, which is unmistakably clear in the language of the statute.

The cases separate over this point. Mills Music Inc. v. Arizona, 591 F.2d 1278 (9th Cir. 1979) and Johnson v. Univ. of Virginia, 606 F. Supp 321 (W.D. Va. 1985) hold that it does and that therefore states are amenable to private copyright infringement actions. Later cases, however especially those after Atascadero, hold that the Copyright Act does not make Congress' intention to abrogate sufficiently clear. Richard Anderson Photography v. Radford Univ., 633 F. Supp. 1154 (W.D. Va. 1986); Woelffer v. Happy States of America, 626 F. Supp. 499 (N.D. Ill. 1985); Mihalek Corp. v. Michigan, 595 F. Supp. 903 (E.D. Mich. 1984), aff'd 814 F.2d 290 (6th Cir.) cert. den. 12/14/87, 108 S. Ct. 503 (1987); BV Engineering v. University of California, Los Angeles, 657 F. Supp. 1246 (C.D. Calif. 1987), Cardinal Industries v. King v. King, 230 U.S.P.Q. (BNA) 678 (D.C. Middle District, Florida), aff'd 811 F.2d 609 (11th Cir. 1986); cert. den. October 5, 1987.

While Mills held that the language of the 1909 Copyright Act ("any person") was sufficient to show that Congress included the states among the class of possible defendants, Atascadero (which is not a copyright case) set a higher standard and held that "any recipient of federal assistance" does not include states with sufficient clarity

to abrogate Eleventh Amendment immunity. Also, there is language in Atascadero to the effect that Congress can abrogate state immunity only when acting to enforce the Fourteenth Amendment. 105 S. Ct. at 3145. Anderson interprets Atascadero in this narrow fashion; Woelfer does not. Whichever is the proper reading Atascadero severely undercuts the vitality of Mills.

Nimmer, in a short discussion on the Eleventh Amendment and copyright, compares Wihtol v. Crow, 309 F.2d 777 (8th Cir. 1962) and Mills. 3 Nimmer on Copyright §12.01[E][2][b] (1986). He considers Mills the better view and argues that the 1976 Act abrogates state immunity because it precludes "anyone" from infringing a valid copyright. His analysis is not very helpful. It is based more on the weakness of Wihtol (in which he was losing counsel) than on the strength of Mills. Moreover, Nimmer does not discuss Atascadero and the significant problems it created for the Mills view.

It is clear, nonetheless, that a copyright holder can partially enforce his rights against a state because Eleventh Amendment immunity does not shield state officials from prospective injunctive relief. Ex parte Young, 209 U.S. 123 (1908); Edelman, 415 U.S. 651. Thus, even if a private plaintiff cannot recover money damages from a state official for copyright infringement, it is possible to prevent any future harm. E.g., Woelffer, 626 F. Supp. 499.

Notwithstanding Atascadero, it is very difficult to argue that Congress did not intend the 1976 Copyright Act to abrogate a State's immunity under the Eleventh Amendment, inter alia, for the following reasons:

1. 28 U.S.C. Section 1338(a) states "The district court's shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents, copy-rights and trademarks. Such jurisdiction shall be exclusive of the courts of the states in patent and copyright cases".
2. §501(a) of the 1976 Copyright Act states "anyone who violates any of the exclusive rights of the copyright owner as provided by sections 106 through 118 . . . . is an infringer of the copyright".
3. Section 110 of the 1976 Act provides that "notwithstanding the provisions of section 106, the following are not infringements of the copyright: . . . (2) performance of a non-dramatic literary or musical work or a display of a work, by or in the course of a transmission, if (A) the performance or display is a regular part of the systematic instructional activities of a governmental body or a non-profit educational institution; or (6) performance of a non-dramatic musical work by a governmental body or a non-profit agricultural or horticultural organization, in the course of a common agricultural or horticultural fair or exhibition conducted by such body or organization.

If the Eleventh Amendment had already granted state immunity, why is there this redundancy? I would not be embarrassed to argue before the United States Supreme Court that Congress added these exemptions because it intended to abrogate the Eleventh Amendment rights of states.

#### Case Summaries

Mills Music, Inc. v. Arizona, 591 F.2d 1278 (9th Cir. 1979)

Plaintiff sued Arizona for infringing its copyrighted song "Happiness Is" to promote a state fair. Arizona raised its Eleventh Amendment immunity as a defense. The court held that the 1909 Copyright Act abrogated states' immunity because the Act provided that "any person" would be liable for copyright infringement. This sweeping language suggests that Congress intended to include states within the class of possible defendants. Moreover, Congress was acting under the Copyright and Patent Clause, a specific grant of constitutional power that contains inherent limitations on state sovereignty. The court reasoned that allowing states to be immune from copyright enforcement would make an author's exclusive rights illusory.

Johnson v. Univ. Virginia, 606 F.Supp. 321 (W.D. Va. 1985).

Plaintiff sued the university for infringing use of his photographs of sporting events. The court, following

Mills, ruled that the Eleventh Amendment immunity was abrogated by the Copyright Acts of 1909 and 1976. Comparing Mills and Wihtol, the court found that Mills analysis superior and adopted it. The opinion notes that, while the 1909 Act prohibited "any person" from infringing on a copyright, the 1976 act covers "anyone." Such language is perhaps more sweeping and so surely includes the states.

Wihtol v. Crow, 309 F.2d 777 (8th Cir. 1962).

A music teacher at a high school in Clarinda, Iowa copies plaintiff's hymn entitled "My God and I" and had it performed, once by the high school choir and once by the choir at the First Methodist Church. The court "reluctantly" found that Crow (and the Methodist Church) had infringed Wihtol's copyright. It ruled, however, that, since the Eleventh Amendment provided immunity for Iowa, the claim against its school district should be dismissed for lack of jurisdiction. The case is of limited importance because it pre-dates many important Eleventh Amendment Supreme Court decisions (e.g. Parden, Edelman, Atascadero). Also the opinion does not include any analysis regarding the inherent conflict between copyright protection and state immunity.

Richard Anderson Photography v. Radford Univ., 633 F. Supp. 1154 (W.D. Va. 1986)

In this case, a photographer sued a state university for copyright infringement of photographs. The court, after carefully analyzing the Eleventh Amendment and its exceptions, held that Eleventh Amendment immunity protects states universities from private copyright infringement actions.

Following a narrow interpretation of Atascadero, the court considered that Congress can abrogate the immunity without state's consent only when acting pursuant to the enforcement clause of the Fourteenth Amendment. Since the Copyright Act clearly does not fall within that category, the court concentrated its analysis on whether or not Virginia had waived its immunity. Using the Atascadero test, the court found that Virginia gave no "unequivocal indication" that it consented to federal suit and therefore did not impliedly waive its immunity.

The opinion notes a greater reluctance on the part of the Supreme Court to find a waiver of state immunity. Because of recent decisions, Atascadero in particular, the court did not consider Johnson binding on the issue of immunity under the Copyright Act. This case is on appeal and in July publishers filed an Amicus brief urging reversal.

Woelffer v. Happy States of America, 626 F. Supp. 499 (N.D. Ill. 1986)

Illinois sought a declaratory judgment that its slogan "Illinois, you put me in a happy state" would not violate state or federal law. Happy States counterclaimed, alleging copyright infringement. The court held that by initiating the action Illinois waived some of its immunity, but only as far as declaratory relief.

Happy States, relying on Mills, argued that Congress abrogated state immunity by enacting the Copyright Act. The court used the Atascadero test, i.e. Congress may abrogate state immunity only by making its intent unmistakable clear in the language of the statute. Atascadero held that the phrase "any recipient of federal assistance" does not include the state with the required certainty. Thus, the Woelffer court held that, while the 1979 Copyright Act covers "anyone", that language is insufficient to abrogate Illinois' immunity.

The court went on, however, to use the Ex parte Young doctrine to allow Happy States to seek prospective injunctive relief to protect its copyright.

Mihalek Corp. v. Michigan, 595 F.Supp. 903 (E.D. Mich. 1984, aff'd 814 F.2d 290 (6th Cir), cert. den. 12/14/87, 108 S. Ct. 503(1987)).

Another slogan case. Plaintiff alleged that state officials appropriated their design ideas to come up with

"Say Yes to Michigan" and "Yes Michigan". The defendants moved to dismiss, asserting the Eleventh Amendment.

The District Court concluded that Mills was incorrectly decided. Its reasoning, which runs as follows, is dubious. Although the federal interest in copyright is expressed in the Constitution, the substantive legal right derives only from statute, the Copyright Act. Thus it is on the same footing as the statutory right to benefits for the aged, blind and disabled, which, as Edelman decided, does not overcome Eleventh Amendment immunity. A private plaintiff, therefore, cannot recover retroactive benefits from a state under either statute.

The District Court dismissed many of Mihalek's claims and in effect limited plaintiff's possible remedy to injunctive relief against future violations of his copyright interests.

The Sixth Circuit affirmed on the basis that there was no infringement and then found it unnecessary to address the Eleventh Amendment immunity issue.

BV Engineering v. University of California, Los Angeles, 657 F. Supp. 1246 (C.D. Calif. 1987)

A manufacturer of computer software products sued the Regents of the University of California for copyright infringement, trademark infringement and breach of contract, alleging that the defendant illegally copied several of



plaintiff's copyrighted software programs and associated documents. There were Cross-Motions for Summary Judgment, and the Court found that the sovereign immunity doctrine associated with the Eleventh Amendment controlled this case, without having to reach the remaining issues.

The Court historically cited Mills Music Inc. v. Arizona, 591 F.2d 1278 (9th Cir. 1979) for the premise that the 9th circuit recognized that Congress needed to express clearly its intent to subject an unconsenting state to a federally created cause of action for damages in federal court. However, the Court held further that Atascadero State Hospital v. Scanlon, 473 U.S. 234 (1985) "points inevitably" to the conclusion that Mills is no longer law of the 9th circuit. While there is no direct 9th circuit opinion overruling Mills, the Court reluctantly found that the majority in Atascadero rejected Justice Brennan's 56 page dissent and emphatically stated that congressional intention "must be expressly set forth in the statute".

It is interesting that the Court would have followed Mills if it were "free to do so", believing Mills to be sound, it is seemingly reasonable that the intention to bind the States, should be implied, particularly in view of the circumstances that the federal courts are the only place where federal copyrights may be enforced. The Court concluded that unfortunately the rationale of Mills necessary to make the implication had been, in fact, overruled by Atascadero.

AN  
An appeal to the 9th circuit is pending.

Cardinal Industries, Inc. v. Raymond C. King and Michael H. Patterson 811 F.2d 609 (11th Cir. 1987); petition for cert. den. October 5, 1987, 108 S. Ct. 88 (1987).

Copyright infringement action alleging unauthorized use of copyrighted architectural plans for a student housing facility at the University of South Florida. Cardinal is the largest manufacturer of factory-assembled modular housing in the U.S.. University officials visited Cardinal's plant to view models and obtain copyrighted architectural drawings. When the University began soliciting bids, the copyrighted Cardinal papers were given to contenders, including Anderson Parrish Associates who received the assignment.

The final plans use caused Cardinal to commence its action, defendant denied copying and argued alternatively that Cardinal was estopped from bringing this action on the grounds of Eleventh Amendment immunity. The district court granted the University summary judgment because of Eleventh Amendment protection, the case proceeded against Anderson and its employees, and after a non-jury trial judgment was entered in favor of the remaining defendants. On January 27, 1987 the 11th circuit affirmed.

In its petition for cert. Cardinal argued that the grant of Eleventh Amendment protection frustrates the purpose of the Copyright Act and conflicts with Mills Music, Johnson v. University of Virginia, etc. The petition argued further

that the court of appeals erred in affirming that the protections of the Eleventh Amendment extended to state officials sued in their individual capacity.

In opposing the petition, the University argued that since the Eleventh Circuit per curiam order provided no rationale for affirmance, it was inappropriate for further review. The University also argued forcefully that both Mills Music and Johnson predate Atascadero and that later cases such as Anderson, Woelffer and BV Engineering all followed Atascadero. The Supreme Court has recently declined to consider the case.

#### Current Developments

Representatives Robert W. Kastenmeier (D-Wis.) and Carlos J. Moorhead (R-Calif.) have requested the Copyright Office to seek public comment on this issue. The Copyright Office is conducting a study and preparing a report. In calling for public comment, the deadline having been extended to February 15, 1988, the Copyright Office suggested that the recent line of federal cases interpreting the application of the Eleventh Amendment immunity might influence states to change their practices of recognizing the right of copyright owners, stating as follows:

"Concern has been expressed about these cases because they appear to remove copyright owners' only pecuniary remedy against state governments

that violate Federal copyright law. On the other hand, it is sometimes alleged that some copyright owners or their representatives may put undue pressure on state governments to pay for their uses of copyrighted works that might, in fact, be 'fair use' under section 107 of the Copyright Act of 1976 or exempt under another provision of the Act."

The Copyright Office specifically invited comment on the following: (1) the practical problems faced by copyright proprietors who attempt to enforce their claims of copyright infringement against state government infringers; and (2) any problems state governments are having with copyright proprietors who may engage in unfair copyright or business practices with respect to state governments' use of copyrighted materials. The Office also sought arguments concerning the legal interpretation of Eleventh Amendment immunity in copyright infringement cases.

As of yesterday, 21 submissions have been received by Dorothy Schrader's office, including but not limited to submissions from Dunn & Bradstreet, Intellectual Property Owners Inc., McGraw-Hill, BMI, West Publishing, Harcourt Brace Jovanovich, MPAA, Lotus, Cambridge Scientific Abstracts, joint presentation of the Association of American Publishers/ Association of American University Presses, law students and the Commonwealth of Virginia. Not surprisingly Virginia's view that its immunity status should be preserved, is not shared by the other interested parties. With the United States Supreme Court having recently denied cert. in Mihalek and Cardinal Industries, we will have to wait and see what

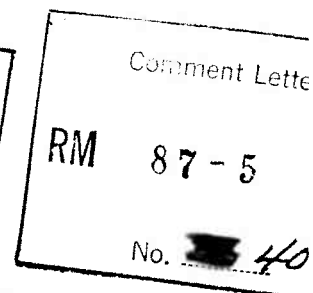
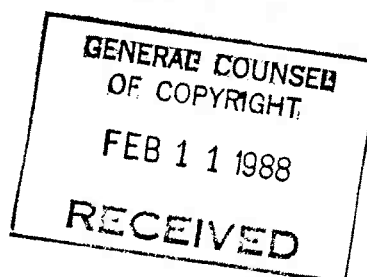
the 9th circuit Court of Appeals does in BV Engineering and what the 4th circuit does in Anderson v. Radford, and whether the United States Supreme Court will face this very important issue in either or both of these cases.

Eugene L. Girden

FEB. 08. 1988

February 4, 1988

Dorothy Schrader  
General Counsel  
Office of the General Counsel  
Copyright Office  
Library of Congress  
Department 100  
Washington, D.C. 20559



Dear Attorney Schrader:

It was a pleasure to speak with you recently concerning the request of the Copyright Office for comments from Attorneys General on the legal interpretation of the Eleventh Amendment as applied to copyright infringement actions. As I mentioned to you at that time, this office is now defending a suit brought under the Copyright Act by a private individual against the Commonwealth's Department of Revenue. In this case, I raised the issue of the Commonwealth's Eleventh Amendment immunity in a copyright infringement action before the United States District Court in a motion to dismiss and a motion for summary judgement, both of which were denied. Pending before the court now is a motion for certification of the Eleventh Amendment immunity issue, pursuant to 28 U.S.C. §1292(b).

The weight of current case law supports the position that a state retains its Eleventh Amendment immunity from a suit commenced under the Copyright Act. This view is consistent with United States Supreme Court cases, which conclude that both congressional abrogation of a state's immunity pursuant to the Fourteenth Amendment and an implied waiver of immunity by a state in a federal statute must be demonstrated by "unequivocal language" in the statute which make "unmistakenably clear" Congress' intention to subject states to suit. Scanlon v. Atascadero State Hospital 473 U.S. 234, 247 (1985). In the enclosed memoranda, filed in support of the Commonwealth's motion for summary judgment and its motion for certification, I refer to the cases which hold that a state retains its sovereign immunity in an action brought pursuant to the Copyright Act. (See Summary Judgment memorandum at pp. 15-19; Certification Memorandum at pp. 8-12). I consider this view to comport both with the judicial interpretation of the Eleventh Amendment and the intention of Congress in enacting the Copyright Act.

Very truly yours,

*Lisa A. Levy*  
Lisa A. Levy

Assistant Attorney General

UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS

*Attachment to*

Comment Letter

RM 87-5

No. ~~40~~ 40

JOAN F. LANE d/b/a LANE & CO.,

Plaintiff,

v.

THE FIRST NATIONAL BANK OF BOSTON,  
et al.,

Defendants.

CIVIL ACTION  
NO. 85-0520-T

STATE DEFENDANTS' MEMORANDUM OF LAW  
IN SUPPORT OF THEIR MOTION FOR SUMMARY JUDGMENT

INTRODUCTION

This case involves a claim of copyright infringement asserted by the plaintiff, Joan F. Lane, against the First National Bank of Boston ("the Bank"), the Commonwealth of Massachusetts and three former or current officials of the Commonwealth.<sup>1/</sup> Lane alleges that the state defendants infringed on her copyrights in a printout of financial information contained on the Massachusetts Schedule A forms filed by municipalities for fiscal year 1980 ("the printout"), and in a revised format of the Schedule A forms entitled "Format 3" (pp. 5-13). Lane contends that the state defendants used her works to create the Chart of Accounts in the improved

---

<sup>1/</sup> The Commonwealth and the individual defendants will be referred to collectively as the state defendants.

Uniform Municipal Accounting System ("the IUMAS Chart of Accounts"), a revised Schedule A form for fiscal year 1982 ("the revised Schedule A form"), and a Schedule A data base included within the Department's computerized Municipal Data Bank (pp. 13-15).

The state defendants' motion for summary judgment is premised on the following grounds which will be explained in detail in this memorandum. Initially, as a matter of law and without resort to the material factual allegations at issue, Lane's copyright infringement action against the Commonwealth, the Department of Revenue, and its division, the Bureau of Accounts is barred by the Eleventh Amendment to the United States Constitution and, therefore, must be dismissed. (Pp. 15-19). Similarly, Lane's claims against the individual defendants as state "officials" must be dismissed since a judgment under Lane's complaint would impose liability on the Commonwealth in contravention of the Eleventh Amendment. (Pp. 19-21).

The state defendants further contend that as a matter of law, Lane is not entitled to statutory damages or attorney's fees under the Copyright Act, 17 U.S.C. § 412, since, according to her own allegations, registration of the printout or Format 3 did not occur within three months after first publication of these works. (Pp. 21-23).

The state defendants maintain that Lane's claim for copyright infringement in the printout must be dismissed



because, according to Lane's own testimony, she never registered a copyright in that work. (Pp. 25-28). Furthermore, based on Lane's descriptions of the printout and of the data base tape from which the printout was derived, Lane cannot claim copyright protection in the printout as a derivative work taken from the data base tape since the data base tape is not copyrightable as a compilation under the Copyright Act. (Pp. 28-33).

The state defendants further contend that the uncontroverted facts before this Court reveal that the allegedly infringing works of the Commonwealth were created either prior to Lane's works or otherwise independently of her works. Specifically, the IUMAS Chart of Accounts was created prior to creation of Lane's printout or Format 3. (Pp. 37-44). In addition, the Schedule A data base was designed prior to creation of the printout or Format 3 (pp. 44-46). Finally, the revised Schedule A form was predicated on the preexisting IUMAS Chart of Accounts and was otherwise created independently of Lane's printout and prior to the date that the state defendants had access to Format 3. (Pp. 46-51).

#### STATEMENT OF THE CASE

##### Prior Proceedings

In March, 1985, the plaintiff, Joan F. Lane, filed her original complaint, alleging inter alia, violations of the

Copyright Act, 17 U.S.C. §§ 101 et seq. against the Bank and the Commonwealth of Massachusetts. In April, 1985, plaintiff amended her complaint to add claims against the Commonwealth for misappropriation of trade secrets, civil rights violations, and injunctive relief. In response to the state defendants' motion to dismiss the complaint for lack of subject matter jurisdiction over the copyright count, and for failure to state a claim for relief under 42 U.S.C. § 1983, in June, 1985, the plaintiff sought and obtained leave to amend her complaint a second time. Lane's second amended complaint (hereinafter "the complaint"), restated most of the factual and legal claims of her amended complaint, but added as defendants the Department of Revenue ("Department"), the Bureau of Accounts (which is within the Department), and three individuals: Edward J. Collins, Deputy Commissioner of the Department's Division of Local Services, Harvey Beth, former Bureau Chief of the Bureau of Accounts, and Roberta Heinzmann, a management analyst in the Department's Municipal Data Management and Technical Assistance Bureau.

The state defendants filed a supplemental motion to dismiss plaintiff's second amended complaint, and this motion was denied as to the copyright claim and allowed as to the civil rights and pendent trade secrets claims on January 2, 1986. Thus, there remains against the state defendants only the claim of copyright infringement.

Statement of Facts<sup>2/</sup>

i. The Printout

Since December, 1980, Joan Lane has been in the business of collecting public financial information, compiling this information onto computerized data bases in various formats and then selling these computerized tapes to the public. (Complaint, ¶ 8; Lane deposition I, page 8).<sup>3/</sup> Beginning in December, 1980, Lane proceeded to compile all information from the Massachusetts "Schedule A" forms filed by municipalities for the 1980 fiscal year (hereinafter the Schedule A form for fiscal year 1980 will be referred to as "the Schedule A form") (Tr. II, 165; Tr. I, 12). The Schedule A form is a Massachusetts financial form which every city and town must complete annually, pursuant to G.L. c. 44, § 43.<sup>4/</sup> The

---

<sup>2/</sup> The following statement of facts is derived from Lane's complaint, her two depositions, the exhibits to these depositions, and answers to the state defendants' interrogatories.

<sup>3/</sup> Further references to the Complaint will be by paragraph number only. References to Lane's first deposition transcript will be designated "Tr. I, (page number)", and to the transcript of her second deposition, "Tr. II, (page number)."

<sup>4/</sup> In part, G.L. c. 44, § 43 provides:

The director [of accounts in the department of revenue] shall annually furnish to the auditor or other accounting officer of each city and town schedules so arranged as to provide for uniform

(footnote continued)

Schedule A details the revenues and expenditures of each municipality during a fiscal year and is submitted to the Bureau of Census to aid in a determination of how revenue sharing monies should be apportioned among the states. (Tr. I, 30). Because the categories on the Schedule A form did not sufficiently detail every revenue and expenditure of a municipality, a town or city accountant would customarily write in added information in the category on the form that most closely represented the department from which the expenditure was paid or in which the revenue was generated. The handwritten information are colloquially and commonly referred to as "adds". (Tr. I, 27-29, 39).

Lane obtained copies of all Schedule A forms filed by municipalities in Massachusetts for Fiscal Year 1980 and then hired a computer company, Interactive Technology, Inc., to place all of the Schedule A data on the forms onto a computer tape (Tr. I, 37). Lane told the programmer at Interactive

---

(footnote continued)

returns giving detailed statements of all receipts classified by sources, and all payments classified by objects, for its last fiscal year; a statement of the public debt showing the purpose for which each item of the debt was created and the provision made for the payment thereof; and a statement of assets and liabilities at the close of the fiscal year. The director may prescribe standard forms intended to promote the systematic accounting of financial transactions and the publication of the same in the city and town reports. . . (emphasis supplied).

Technology that she wanted the Schedule A data placed on the computer tape, exactly as the municipality reported it on the Schedule A form, with all of the adds identified in a manner so that they could later be pulled off the computer tape for analysis. (Tr. I, 28, 37). The programmer informed Lane that it would be possible to write a program to extract the adds by identifying each add on the data base tape by a mark or symbol (Tr. II, 182). According to Lane, she thought of the idea of using parentheses to identify each add. (Tr. II, 183). Thus, Lane's tape of Schedule A information for fiscal year 1980 ("the data base tape" or "the tape"), mirrored the Schedule A form in that each line on the data base corresponded exactly to the line on the Schedule A form (Tr. I, 31-32, Tr. II, Exhibit 4).<sup>5/</sup> In essence, then, the data base tape contained all of the public data from the Schedule A forms filed by the municipalities in the Commonwealth for Fiscal Year 1980, exactly as the data appeared on the Schedule A forms, with the exception that parentheses were placed around each add reported on the form. (Tr. I, 27-28, 37).

The first publication of the data base tape was in August, 1981, when Lane sold the tape to Mitre Corporation (Tr. I, 35, Tr. II, Exh. 25). The only other sale of this tape was to the

---

<sup>5/</sup> The Exhibits to each of Lane's depositions that are submitted with this motion will be identified by the deposition in which they were marked and their number. Exhibits will be designated by the abbreviation "Exh.".

Bank sometime in October of 1981. (Tr. II, 188; Tr. I, 84 and Exh. 24). The Bank was interested in developing a data base of municipal financial information. David Thompson, a financial analyst at the Bank recommended the purchase of Lane's tape. (Id.)

One objective of the Bank in developing its data base was to improve the method by which municipalities reported revenues and expenditures so as to facilitate a comparative analysis of revenues and expenditures from one municipality to another. Both Lane and personnel from the Bank recognized that the Schedule A data on her tape was not in a "usable, comparative format because, in Lane's words, "the towns add[ed] information helter-skelter wherever they choose". (Tr. I, 39). In order to begin the process of making the data comparative, in Lane's words, the adds had to be consolidated into a consistent format. (Tr. I, 39). To commence the process of consolidating the adds, according to Lane, with her knowledge, a Bank employee wrote a program that would enable a printout to be made from her tape of all of the adds,<sup>6/</sup> organized by similarity of language and frequency of their appearance on the tape. (Tr. I, 88-89, 94; Tr. II, 186).<sup>7/</sup> In addition, the

---

<sup>6/</sup> The monetary amount of each add was also included. (Tr. II, 189).

<sup>7/</sup> For example, if several municipalities listed "Historical Commission" or "Hist. Comm." or "Historical District", the printout would list in one grouping, all of these adds exactly as they appeared on the taped. (Tr. I, 94).

printout identified the town that reported the add by assigning each town a number, as well as the line number on the Schedule A form on which the add was entered. (Tr. II, 189). With Lane's approval, the printout was made from the tape, utilizing this program. (Tr. I, 92). Lane has conceded that, according to her agreement with the Bank, the Bank was authorized to make printouts from the data base tape for its own use and analysis. (Tr. I, 97). Lane contends, however, that one such printout was made without her authorization and that David Thompson delivered this printout sometime in the fall of 1981, to Harvey Beth, then Chief of the Bureau of Accounts at the Department. (Tr. I, 90; ¶¶ 15, 18).<sup>8/</sup> It is this printout that Lane claims was infringed by the state defendants. (¶¶ 15, 18).

Lane claims that she first became aware that the Commonwealth had possession of the printout in February, 1983, when she attended a meeting at the Department with Harvey Beth and Edward Collins, at which time she saw a copy of her printout. (¶ 17). Lane admits that she never asked Beth, Collins, or anyone else from the Department to return the printout. (Tr. II, 206-07). Lane did call John Clark at the Bank and asked him to retrieve the printout (Tr. I, 91).

---

<sup>8/</sup> The state defendants assume only for the purpose of this motion, that the printout received by Harvey Beth from David Thompson was the printout made from Lane's data base tape of additions to the fiscal year 1980 Schedule A forms.

In November, 1983, Lane met with officials of the Municipal Data Management and Technical Assistance Bureau ("MDM/TAB"), which Bureau was responsible for implementing the Department's Municipal Data Bank. (Tr. I, 114-15 and Exh. 39A, 39B, 40). The purpose of this meeting was to explore the possibility of Lane & Co. selling its data base tapes of prior year Schedule A information to the Department for entry into the Department's Schedule A data base within the Municipal Data Bank. (Tr. I, Exh. 39B). The Department decided ultimately not to buy Lane's tapes based on the expense involved and the fact that the prior year Schedule A data was already in the process of being entered into the Schedule A data base (Tr. I, Exh. 41). Ira Jackson wrote Lane a letter, dated February 29, 1984, declining her offer to sell her tapes to the Commonwealth. (Id.)

Thereafter, on March 8, 1984, Lane wrote a letter to the Bank in which she stated that the printout had still not been returned to her. (Tr. I, 93-94; Exh. 25). Lane also wrote that the state was now in the process of duplicating her work by using the printout. (Id.) MDM/TAB returned the printout to the Bank in March, 1984, with a letter which stated that the printout had not been used in the development of the Municipal Data Bank. (See Affidavit of Roberta C. Heinzmann, ¶ 11).

Lane deposited a hard copy of her data base tape with the Copyright Office sometime in January 1985. (Tr. II, Exh. 25). In the application, she claims copyright protection in the



"compilation" of Computerized Massachusetts Schedule A forms, Fiscal Year 1980" (Id.).

ii. Format 3

Lane sought to compile Schedule A data into a more "consistent" format than that which existed in the original Schedule A form. (Tr. II, 14-15). As part of her work with the Bank, Lane commenced development of the format in December, 1981 by analyzing Schedule A data reported by municipalities for fiscal year 1981 (Tr. II, 8, 50). Lane first developed "Format 2", a printout of "all possible areas of revenue and expenditure as reported on the [1980] Schedule A form", and then inquired how the Bank wanted the information formatted for its data base. (Tr. II, 27). According to Lane, the Bank wanted "as much detail as they could get, sources and uses of funds". (Tr. II, 28). Lane then took the Format 2 and, using the Schedule A form as the model, determined whether each add on the Format warranted a new category on the Schedule A. (Tr. II, 45-46; 25-26; Exh. 3, p. 2). The resulting format, entitled "Format 3, Sources and Uses of Municipal Monies", was based on the Schedule A form, but included as new categories, certain adds that municipalities had reported on the form. (Tr. II, 44-45, 39-40).

A printout of Lane's original version of Format 3 was made on or about February 26, 1982 (Tr. II, 52). Lane showed the

original version to Bank employees John Clark and David Thompson, and asked whether this formatting of the data met with their approval (Tr. II, 28). The Bank employees asked her to "reorder" the format to make the "departmental functions" consistent with the uniform Chart of Accounts in the improved Uniform Municipal Accounting System ("IUMAS"), developed by Touche, Ross & Co. ("Touche Ross"), under contract with the Department of Revenue. (Tr. II, 27-28 and Exh. 11). Thompson gave Lane a copy of the IUMAS Chart of Accounts for that purpose (Tr. II, 84).

Sometime in April, 1982, Lane completed reordering the format, thereby making the applicable categories consistent with the IUMAS categories (Tr. II, 53). In May, 1982, the Bank approved Lane's Format 3 and the first publication of the format ensued, with a copy being generated within the Bank for internal review. (Tr. II, 73, Exh. 24).

In December, 1982, Lane published a booklet entitled "Schedule A Database FY '81" ("the booklet"). (¶ 27; Tr. II, Exh. 3). The booklet, which explained the formats of certain Schedule A data for fiscal year 1981, also described the development of Format 3 in the introductory section and included a copy of Format 3 in a later section. (Tr. II, Exh. 3, p. 2, Attachment III). Sometime after the booklet was published in December, 1982, during one of Lane's visits to the Bureau of Accounts to research data, she met Beth and he

inquired as to the work that she was doing. (Tr. II, 214, 164). Lane indicated that she would be happy to give him a copy of her work to date, and gave him a copy of the booklet. (Tr. II, 214, 164).<sup>9/</sup> Lane ultimately deposited a copy of Format 3 with the Copyright Office in January, 1985 (Lane Dep. II, Exh. 24). The copyright application described Format 3 as a "compilation" with the preexisting work described as "municipal financial data taken from Schedule A form". (Id.) Where the application asked Lane to give a statement of the material added to this work and in which copyright is claimed, Lane wrote only the word "compilation". Id.

#### CLAIMS OF INFRINGEMENT

Lane claims that certain works of the Department infringed on her copyrights in the printout and Format 3 (¶¶ 28-29). Specifically, she avers that the Commonwealth's revised Schedule A form for fiscal year 1982 ("revised Schedule A"), infringed on her printout form by using "similar expressions of ideas" concerning entries for revenues and expenditures and "similar expressions of ideas and arrangements". (¶¶ 28-29; Tr. II, 85 and Exh. 10).

Lane contends that the revised Schedule A form also infringed on her copyright in Format 3 by using the

---

<sup>9/</sup> For the purpose of this motion only, the state defendants assume that a copy of the booklet entitled "Schedule A Database FY '81" which is attached as an Exhibit to this motion (Tr. II, Exh. 3), was given by Lane to Harvey Beth.

"arrangements and descriptions of the entries regarding revenues and expenditures" from her work. (¶ 28). Lane claimed that the entries for revenues and expenditures in the revised Schedule A were "arranged in a similar manner" to the entries on Format 3. (Tr. II, 108-09).

Lane also claims that the Commonwealth's Schedule A data base implemented by the MDM/TAB during 1983 and 1984 ("the Schedule A data base"), also infringed on her printout and Format 3. (¶¶ 28-29). She testified that her allegations of infringement concerning the Schedule A data base are based on the allegation of infringement with respect to the revised Schedule A. (Tr. II, 130, 120, 123-126; Exh. 2).

The third work that Lane claims infringed on her copyrights in the printout and Format 3 is the Chart of Accounts in the improved Uniform Municipal Accounting System, ("IUMAS Chart of Accounts"), which was developed by Touche, Ross under a contract with the Commonwealth (Tr. II, 114-115; Exh. 11, chapters 7, 8).<sup>10/</sup> Lane alleged that the IUMAS Chart of Accounts constituted an infringement of her printout by using "similar expressions of ideas" concerning entries for revenues and expenditures and "similar expressions of ideas and arrangements" of the entries as devised by Lane (¶ 28-29). The Chart of Accounts also constitutes an infringement of Format 3,

---

<sup>10/</sup> Lane's claim of infringement concerns only Chapters 7 and 8 of the IUMAS Chart of Accounts. (Tr. II, 115-116).

Lane claims, by using the "descriptions of the entries regarding revenues and expenditures" (§ 28; Tr. II, 143-144).

#### ARGUMENT

I. THE PLAINTIFF'S CLAIMS AGAINST THE COMMONWEALTH OF MASSACHUSETTS AND ITS DEPARTMENTS ARE PROSCRIBED BY THE ELEVENTH AMENDMENT.

Lane has named as defendants the Commonwealth, the Department of Revenue, and the Bureau of Accounts, a division within that department. Insofar as the complaint asserts a claim against the Commonwealth or its departments, the complaint should be dismissed for lack of subject matter jurisdiction. No facts are required to decide this issue.

The Eleventh Amendment to the United States Constitution provides:

The Judicial power of the United States should not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by Citizens of another State, or by Citizens or Subjects of any Foreign State.  
U.S. Const. Amend. XI.

As the United States Supreme Court has recently recognized, the significance of the Eleventh Amendment "lies in its affirmation that the fundamental principle of sovereign immunity limits the grant of judicial authority in Article III" (of the Constitution). Pennhurst State School & Hospital v. Halderman, 465 U.S. 89, 98 (1984). Nearly a century ago the Court held that the Amendment barred a citizen from bringing suit against

his own state in federal court. Hans v. Louisiana, 134 U.S. 1 (1890).

There are exceptions to the Eleventh Amendment protections afforded the states. If a state waives immunity and consents to suit in federal court, the Eleventh Amendment does not bar the action. Clark v. Barnard, 108 U.S. 436, 447 (1883). Here, the Commonwealth has not waived its constitutional immunity and, indeed, no waiver is alleged.

Further, the Amendment is limited by Congress' power "to enforce, by appropriate legislation, the substantive provisions of the Fourteenth Amendment." Fitzpatrick v. Bitzer, 427 U.S. 445, 456 (1976). Thus Congress, when it acts pursuant to the enforcement provisions of § 5 of the Fourteenth Amendment, can abrogate the Eleventh Amendment without the consent of the states. Id.

In 1984, the Supreme Court held that in determining whether Congress, in exercising its Fourteenth Amendment powers, has abrogated the States' Eleventh Amendment immunity, there must be an "unequivocal expression of congressional intent to 'overturn the constitutionally guaranteed immunity of the several States'." Pennhurst, supra, 465 U.S. at 99, quoting Quern v. Jordan, 440 U.S. 332, 342 (1979).

More recently, the Court has strengthened the requirement of unequivocal Congressional expression of intent to abrogate the Eleventh Amendment bar to suits against the States in

federal court. Atascadero State Hospital v. Scanlon, 105 S. Ct. 3142, 3147 (1985). The Atascadero Court affirmed that only "by making its intention unmistakeably clear in the language of the statute could Congress abrogate the constitutionally secured immunity of the States". Id. (Emphasis supplied).

In Atascadero, the Court of Appeals for the Ninth Circuit had held that the Eleventh Amendment did not bar an action against the State under the Rehabilitation Act because the language in Section 505 of the Act contained the threshold fact of congressional authorization to sue a class of defendants which literally includes the States. Scanlon v. Atascadero State Hospital, 735 F.2d 359, 361 (9th Cir. 1984). The statute describes the available remedies under the Rehabilitation Act and states, in relevant part:

The remedies, procedures and rights set forth in title VI of the Civil Rights Act of 1964 . . . shall be available to any person aggrieved by any act or failure to act by any recipient of Federal assistance . . . 29 U.S.C. § 794(a)(2). (Emphasis supplied).

While it acknowledged that the State of California is a recipient of federal aid within the language of the statute, the Supreme Court held that the mere fact that a state could be a "recipient" within the Rehabilitation Act is an insufficiently clear statement of intent to abrogate the Eleventh Amendment bar to suits against the States. 105 S. Ct. at 3149. Reasoning that "given their constitutional role, the States are not like any other class of recipients of federal aid," the Court stated:

A general authorization for suit in federal court is not the kind of unequivocal statutory language sufficient to abrogate the Eleventh Amendment. When Congress chooses to subject the States to federal jurisdiction, it must do so specifically. Id. (emphasis supplied).

The Court of Appeals for the Ninth Circuit explicitly based its decision that the Eleventh Amendment does not bar action against the State of California on Mills Music v. State of Arizona, 591 F.2d 1278 (9th Cir. 1979). Scanlon, supra, 735 F.2d at 361. In reversing the Ninth Circuit's decision, the Supreme Court implicitly rejected the Mills analysis, an analysis which this Court relied on in its October 31, 1985 denial of the Commonwealth's motion to dismiss. (Findings and Recommendations, p. 7). Atascadero State Hospital v. Scanlon, clearly dictates a different result. The Atascadero Court rejected the Mills distinction between "anyone" and "any person" which the Ninth Circuit and, subsequently, this Court relied on. 105 S. Ct. 3142, 3145. Instead, the Atascadero Court required the unequivocal statutory language which is clearly absent from the 1976 Copyright Act. 17 U.S.C. § 501 provides, in relevant part,

- (a) Anyone who violates any of the exclusive rights of the copyright owner . . . is an infringer of the copyright.
- (b) The legal or beneficial owner of an exclusive right under a copyright is entitled . . . to institute an action for any infringement under that right . . . .



The sweeping language employed by Congress in 17 U.S.C. §§ 501 and 502 arguably includes states within the class of copyright infringers. Under Atascadero, however, this is not enough to abrogate sovereign immunity. 105 S. Ct at 3149. Two United States district courts have already recognized that based on Atascadero's interpretation of the Eleventh Amendment, a copyright action against a state is proscribed by the Eleventh Amendment. See Richard Anderson Photography v. Radford University, 633 F. Supp. 1154 (W.D. Va. 1986); Woelffer v. Happy States of America, Inc., 626 F. Supp. 499 (N.D. Ill. 1985). Thus, the plaintiff's complaint against the Commonwealth and its constituent agencies must be dismissed for lack of subject matter jurisdiction.<sup>11/</sup>

II. THE PLAINTIFF'S CLAIMS AGAINST THE NAMED OFFICIALS OF THE COMMONWEALTH ARE BARRED BY THE ELEVENTH AMENDMENT.

It is well established that the Eleventh Amendment bars a suit against state officials when "the state is the real, substantial party in interest." Pennhurst, supra, 465 U.S. at 101, quoting Ford Motor Co. v. Department of Treasury of

---

<sup>11/</sup> The Copyright Act was not passed pursuant to Congress' § 5 power to enforce the Fourteenth Amendment. Accordingly, one may question whether Congress, acting pursuant to an enumerated Article I power, can by legislation limit or negate the force of a constitutional amendment. The Court need not reach this question, however, as it is evident that the clarity of statement required by Atascadero is not satisfied by the language of the 1976 Copyright Act.

Indiana, 323 U.S. 459, 464 (1945). The general rule is that a suit is against the state if "the judgment sought would expend itself on the public treasury or domain, or interfere with the public administration," or if the effect of the judgment would be "to restrain the Government from acting, or to compel it to act." Pennhurst, supra, 465 U.S. at 101, n. 11, quoting Dugan v. Rank, 372 U.S. 609, 620 (1963). Thus, a suit against a state official that is in fact a suit against the State itself is barred regardless of whether it seeks damages or injunctive relief. Pennhurst, supra, 465 U.S. at 102.<sup>12/</sup>

Lane alleges that the nominal defendants, Harvey Beth, Edward Collins and Roberta Heinzmann were at all times material to this case state officials employed by the Department.<sup>13/</sup> (# 4). It is abundantly clear that the suit, while state officials are named in the complaint, is a suit against the Commonwealth itself. Lane asks this Court to award money damages from the Commonwealth and the nominal defendants, and to issue an injunction against the Commonwealth, the Bureau of Accounts, the Department of Revenue and all of their agents and

---

<sup>12/</sup> The Supreme Court has ruled that in some instances, when a plaintiff sues a state official alleging a violation of federal law, federal courts may grant an injunction that governs the official's future conduct, but not one that awards retroactive monetary relief. Edelman v. Jordan, 445, U.S. 651, 666-667 (1974).

<sup>13/</sup> For the purpose of this motion only, the state defendants do not contest the allegation that all three individual defendants were state "officials."

employees. If this Court were to grant the requested relief, the judgment would expend itself on the public treasury, and its effect would restrain the government from acting. Pennhurst, supra, 465 U.S. at 101, n. 11. Thus, the claims against Beth, Collins and Heinzmann are barred by the Eleventh Amendment. Pennhurst, supra 465 U.S. at 101-102; see also Richard Anderson Photography v. Radford University, 633 F. Supp. 1154, 1160 (W.D Va. 1986) (Eleventh Amendment held to prohibit suit for copyright infringement against State university public relations director). Mihalek Corp. v. State of Michigan, 595 F. Supp. 903, 906 (E.D. Mich. 1984) (Eleventh Amendment held to prohibit suit for copyright infringement against governor and director of the State Department of Commerce.)

III. THE PLAINTIFF IS NOT ENTITLED TO STATUTORY DAMAGES OR ATTORNEY'S FEES.

Lane has requested, inter alia, that this Court award attorneys' fees and costs, pursuant to 17 U.S.C. §§ 504, 505. (Complaint, p. 19). In relevant part, 17 U.S.C. §412 provides:

. . . no award of statutory damages or of attorney's fees, as provided by Section 504 and 505, shall be made for . . .

(1) Any infringement of copyright in an unpublished work commenced before the effective date of its registration; or

(2) any infringement of copyright commenced after first publication of the work and before the effective date of its registration, unless such registration is made within three months after the first publication of the work. (Emphasis supplied).

The plaintiff alleges infringement by the Commonwealth with respect to two works; a printout derived from the data base tape and Format 3. The data base tape was first published on August 15, 1981, and registered on January 30, 1985. (Tr. II, Exh. 25). Thus, the data base tape was not registered within three months of publication. Although the plaintiff's complaint lacks specificity, giving the allegations the widest possible latitude would place the date of the first alleged infringement by the Commonwealth between October, 1981 (§ 23) and February, 1983 (Complaint, ¶ 27). Whether the alleged first infringement occurred on the earliest date or on the most recent date, the alleged infringement occurred after first publication, and registration was more than three months after first publication. Thus, the plaintiff is barred by § 412(2) from an award of statutory damages or attorney's fees.

Format 3 was first published on May 1, 1982 and registered on January 30, 1985. (Tr. II, Exh. 24). The alleged first infringement by the state defendants occurred sometime after December, 1982 (¶ 27, Tr. II, 214, 164). Because the alleged infringement occurred after first publication and Format 3 was not registered within three months after May 1, 1982, the date of first publication, 17 U.S.C. § 412(2) similarly bars the plaintiff.

Thus, by its plain language, U.S.C. 17, § 412 bars the plaintiff from an award of statutory damages or attorney's

fees. See Shapiro & Son Bedspread Corp. v. Royal Mills Assoc., 764 F.2d 69, 73 n. 4 (2d Cir. 1985); Eden Toys, Inc. v. Florelee Undergarment Co., Inc., 697 F.2d 27, 33 (2d Cir. 1982).

IV. SUMMARY JUDGMENT SHOULD BE GRANTED TO THE  
STATE DEFENDANTS ON THE CLAIM OF COPYRIGHT  
INFRINGEMENT

A. The Legal Standard In A Motion For  
Summary Judgment

In relevant part, Fed. R. Civ. P. 56(c) provides that summary judgment is proper "if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law". Recently, the United States Supreme Court has interpreted the language of Rule 56(c) in Celotex Corporation v. Catrett, 106 S. Ct. 2548 (1986). The defendant, Celotex Corporation had moved successfully for summary judgment in the District Court, contending that the plaintiff had failed to show, through the discovery process, any evidence to support a crucial factual allegation of her wrongful death claim; specifically, that her deceased husband had been exposed to Celotex's products containing asbestos. Id. at 2551

The Supreme Court rejected the Court of Appeal's decision, that the summary judgment motion was "fatally defective" because Celotex failed to adduce "any evidence in the form of

affidavits or otherwise, to support its motion". 54 U.S.L.W. at 2552, quoting 756 F.2d at 184. The Court reasoned that

the plain language of Rule 56(c) mandates the entry of summary judgment, after adequate time for discovery and upon motion against a party who fails to make a showing sufficient to establish the existence of an element essential to that party's case, and on which that party will bear the burden of proof at trial. In such a situation, there can be "no genuine issue as to any material fact," since a complete failure of proof concerning an essential element of the nonmoving party's case necessarily renders all other facts immaterial. The moving party is "entitled to judgment as a matter of law" because the nonmoving party has failed to make a sufficient showing on an essential element of her case with respect to which she has the burden of proof.

106 S. Ct. at 2552-53 (emphasis supplied).

The Court thus concluded that where the nonmoving party bears the burden of proof at trial, a summary judgment motion may be made properly by relying "solely on the 'pleadings, depositions, answers to interrogatories and admissions on file". Id. at 2553. Further, Rule 56(c) requires the nonmoving party to go beyond the pleadings and designate in her affidavits or materials submitted with the motion, specific facts "showing that there is a genuine issue for trial." Id.

In the present matter, the state defendants will show that after a more than adequate time has elapsed for the conduct of discovery, the plaintiff still cannot adduce any proof of the existence of certain elements essential to her copyright claim. Specifically, Lane cannot present any facts to show

that: 1) she has registered a copyright in the printout, thereby enabling her to sue for infringement of that work; 2) the printout was an unauthorized derivative work based on the copyrighted data base tape; 3) the state defendants had access to the printout or Format 3 prior to creation of the IUMAS Chart of Accounts or completion of the design for the Schedule A data base; and 4) the revised Schedule A form was not predicated on the IUMAS Chart of Accounts and was not otherwise created independently of Lane's printout and prior to the date that the state defendants had access to Format 3.

B. Plaintiff Is Not Entitled To Copyright Protection In The Printout Or In The Data Base Tape.

i. Applicable Copyright Law.

To prevail in a copyright action, a plaintiff must first show ownership of a valid copyright. See Motta v. Samuel Weiser, Inc., 768 F.2d 481, 483 (1st Cir. 1985); Midway Manufacturing Co. v. Bandai-America, Inc., 546 F. Supp. 125, 138 (D. N.J. 1982); 3 M. Nimmer, The Law of Copyright, § 13.01 at 13-3 (1984) (hereinafter "Nimmer"). The requirement of "originality" is "the one pervading element prerequisite to copyright protection regardless of the form of the work". Knickerbocker Toy Co., Inc. v. Winterbrook Corp., 554 F. Supp.

1309, 1317 (D. N.H. 1982); see 17 U.S.C. § 102. For a newly created work, courts have customarily used a low threshold for finding originality. Knickerbocker Toy Co., Inc. v. Winterbrook Corp., supra at 1317. Basically, all that is required is something more than a "merely trivial" contribution for a work to be considered "an original work" entitled to copyright protection. Id.; see Durham Industries, Inc. v. Tomy Corp., 630 F.2d 905, 909-910 (2d Cir. 1980). But cf. Knickerbocker Toy Co., supra at 1317 (to warrant copyright protection as "derivative work", the original aspects added to the underlying work must be "non-trivial"); Financial Information, Inc. v. Moodys' Investors Services, 751 F.2d 501, 507 (2d Cir. 1984) (a "compilation" is entitled to copyright protection only if it shows subjective selection or arrangement of preexisting facts).

A valid registration of copyright, evidenced by a copyright certificate of registration, constitutes prima facie evidence of originality and thus of copyright validity. See Milene Music, Inc. v. Gotauco, 551 F. Supp. 1288, 1293 (D. R.I. 1982); Midway Manufacturing Co. v. Bandai-America, Inc., supra at 139. A defendant, however, may rebut the prima facie effect created by a copyright certificate by showing that the copyrighted work does not possess the requisite originality to obtain copyright protection. See Durham Industries, Inc. v. Tomy Corp., 630 F.2d at 908-909; Midway Manufacturing Co.,



supra at 139. Courts have resolved the issue of the validity of a claimed copyright on a motion for summary judgment where it can be determined as a matter of law, based on the undisputed facts presented, that the plaintiff's work is not copyrightable as it is not an original work of authorship. See Durham Industries, Inc. v. Tomy Corp., supra at 909, 911 n. 8; Midway Manufacturing Co., supra at 139. These decisions may be predicated on unrefuted findings that the plaintiff's work is actually copied from a preexisting work, or is based on an existing work in the public domain, thereby lacking the requisite element of originality. See Durham Industries, 630 F.2d at 911.

- ii. Plaintiff Cannot Base Her Claim Of Infringement On The Printout Since She Has Not Registered A Copyright In The Printout.

Lane claims that the defendants infringed on the copyright in her printout of Schedule A information from the data base tape. (¶ 28-29). Lane, however, never submitted to the copyright office, an application for registration of a copyright in the printout, pursuant to 17 U.S.C. § 408. Lane only registered a copyright in the data base tape and in Format 3. (Tr. I, 24). Although registration is not a condition of copyright protection, see 17 U.S.C. § 408(a), it is a prerequisite to instituting an action based on alleged infringement of the work. Strout Realty Co. v. Country 22 Peal

Estate Corp., 493 F. Supp. 197 (W.D. Mo. 1980). See Burns v. Rockwood Distributing Co., 481 F. Supp. 841 (N.D. Ill. 1979). In relevant part, 17 U.S.C. § 411(a) provides that "no action for infringement of the copyright in any work shall be instituted until registration of the copyright claim has been made in accordance with this title."<sup>14/</sup> As a matter of law, therefore, Lane's claim of infringement which is based on the printout must be dismissed. See Suda v. Newsweek Magazine, 503 F. Supp. 148 (D. D.C. 1980).

iii. Lane Cannot Obtain Copyright Protection In The Printout As a Derivative Work Since The Data Base Tape Is Not Copyrightable.

Lane claims that the printout was made from information taken solely from her copyrighted data base tape (§ 14, 11). Since the printout represents a work based on a preexisting copyrighted work, Lane may argue that the printout fits the literal definition of a "derivative work", see U.S.C. § 101, and that the state defendants violated her right to prepare, and authorize preparation of this derivative work. See 17 U.S.C. § 106(2).

In relevant part, 17 U.S.C. § 101, defines a derivative work as "a work based upon one or more preexisting works, such

---

<sup>14/</sup> The exception in § 411(a) to the requirement of registration as a prerequisite to bringing an infringement action does not apply to Lane since she had not been refused registration of the printout by the Copyright Office.

as a translation, musical arrangement, . . . abridgement, condensation, or any other form in which a work may be recast, transformed, or adapted." (Emphasis supplied). Copyright protection is obtained in a derivative work when the owner has made a "substantial, not merely trivial" contribution to the underlying work. Durham Industries, Inc. v. Tomy Corp., 630 F.2d at 910; Eden Toys, Inc. v. Florelee Undergarment Co., Inc., 697 F.2d 27, 34 (2d Cir. 1982).

The owner of a valid copyright in a derivative work is accorded the exclusive right "to prepare derivative works based upon the copyrighted work." 17 U.S.C. § 106(2). As cogently stated by the Ninth Circuit, "[t]he established doctrine prevents unauthorized copying or other infringing use of the underlying work . . . contained in the derivative product so long as the underlying work remains copyrighted." Russell v. Price, 612 F.2d 1123, 1128 (9th Cir.), cert. denied, 446 U.S. 952 (1980). See also Lone Ranger Television v. Program Radio Corp., 740 F.2d 718, 722 (9th Cir. 1984) (interference with copyright owner's exclusive right to make derivative works from "Lone Ranger" scripts by distributing tapes based on the scripts); Eden Toys, Inc. v. Florlee Undergarment Co., Inc., 697 F.2d at 33 (owner of copyrights in sketches of Paddington Bear obtained copyright protection in derivative works based on these sketches).

Of course, protection to the copyright owner, and resulting liability upon the publisher of the unauthorized derivative work, extends only to the copyrightable portion of the underlying work that was copied in the derivative work. See Lone Ranger Television v. Program Radio Corp., supra at 722; Duchess Music Corp. v. Stern, 458 F.2d 1305, 1309, n. 7 (9th Cir.) cert. denied, 409 U.S. 847 (1972). Cf. Classic Film Museum, Inc. v. Warner Bros., Inc., 597 F.2d 13, 14 (1st Cir. 1979)<sup>15/</sup>

Clearly, therefore, Lane's claim of copyright protection in the printout extends only to any copyrightable portion of the data base tape that was reproduced in the printout. See O'Neill v. Dell Publishing Co., 630 F.2d 685, 686 (1st Cir. 1980); Lone Ranger Television v. Program Radio Corp., supra at 722; Film Video Releasing Corp. v. Hastings, 668 F.2d 91, 93 (2d Cir. 1981). Lane testified that the printout consisted of all of the adds reported by municipalities on the Schedule A form for fiscal year 1980, the monetary amount reported for each add, the line number on the Schedule A form on which the

---

<sup>15/</sup> For examples of cases where courts applied this principle, see Film Video Releasing Corp. v. Hastings, 426 F. Supp. 690, 694 (S.D. N.Y. 1976)(renewed copyright in "Hopalong Cassidy" novels could be infringed by including material from novels in motion pictures); G. Ricordi & Co. v. Paramount Pictures, Inc., 189 F.2d 469, 472 (2d Cir.) cert. denied 342 U.S. 849 (1951)(material in an uncopyrighted play that was based on a copyrighted novel, was still protected from unauthorized use in derivative works).

add was entered, and the designation of the town that reported the adds. (Tr. I, 88-89, 94; Tr. II, 186). Undisputably, the adds, which Lane concedes were taken from the Schedule A forms in exactly the language that the municipalities used to report them, the Schedule A line item number on the form and the names of the towns constitute factual information. It is an unassailable principle that facts are not copyrightable, as such information is properly in the public domain. See Hoehling v. Universal Studios, Inc., 618 F.2d 974, 979 (2d Cir.), cert. denied 449 U.S. 841 (1980); 1 Nimmer § 2.11[A] at 2-157.

Furthermore, the factual information set forth in the data base tape is not copyrightable as a "compilation" under the Copyright Act. Copyright protection in a compilation "extends only to the material contributed by the author of such work, as distinguished from the preexisting material", 17 U.S.C. § 103(b), and, specifically, to the "selection, coordination, or arrangement" of the factual material which renders the work an original work of authorship, 17 U.S.C. § 101 (emphases supplied). See Financial Information, Inc. v. Moody's Investor Service, 751 F.2d 501, 505-06 (2d Cir. 1984) (hereinafter "Moody's Investors Service"); Rockford Map Publishers, Inc. v. Directory Service Co. of Colorado, Inc., 768 F.2d 145, 148 (7th

Cir. 1985).<sup>16/</sup> Lane testified that the data base tape consisted entirely of all Schedule A information reported for fiscal year 1980, arranged in the exact format of the original Schedule A form. (Tr. I, 27-28, 31-32, 37). The tape thus contained no novel selection, coordination or arrangement of the preexisting Schedule A data and was not copyrightable as a compilation. See Moody's Investors Service, supra, at 507,

---

<sup>16/</sup> This view, expressed by a majority of courts in more recent cases, adheres to the letter as well as the spirit of the definition of "compilation" in the Copyright Act of 1976, and the protection accorded to this work in the Act. See Moody's Investors Service, supra at 506; Southern Bell Telephone and Telegraph Company v. Associated Telephone Directory Publishers, 756 F.2d 801, 809 (11th Cir. 1985) (hereinafter Southern Bell Telephone Co.); Rockford Map Publishers, Inc. v. Directory Service Co. of Colorado, Inc., 768 F.2d 145, 148 (7th Cir. 1985); Financial Information v. Moody's Investors Service, Inc., C.A. No. 86-7598 (Slip. op. at 4-5) (2d Cir., December 22, 1986). See also Miller v. Universal Studios, Inc., 650 F.2d 1365, 1369 (5th Cir. 1981); 17 U.S.C. §§ 101, 103(b). These courts have concluded that, to warrant copyright protection under 17 U.S.C. § 101, a compilation must be shown to involve "a modicum of selection, coordination or arrangement" of the preexisting facts by the copyright owner, in order to constitute an "original work of authorship". Moody's Investors Service, supra at 507, 510; see Southern Bell Telephone Co., 756 F.2d at 809. Rockford Map Publishers, Inc., 768 F.2d at 148-49. Cases that were decided primarily under the Copyright Act of 1909, espoused the view that it was the labor or effort expended in assembling the factual data that made a work copyrightable. See Leon v. Pacific Telephone & Telegraph Co., 91 F.2d 484, 486 (9th Cir. 1937); Jewelers Circular Publishing Co. v. Keystone Publishing Co., 281 F.2d 83 (2d Cir.), cert. denied 259 U.S. 581 (1922). Cf. Triangle Publications, Inc. v. New England Newspaper Publishing Co., 46 F. Supp. 198, 201-202 (D. Mass. 1942) (court recognized compilation results from "assembling, connecting and categorizing disputed facts," but recognized that modicum of "skill, judgment and effort" necessitated). See also Hutchinson Telephone Co. v. Frontier Directory Co., 770 F.2d 128, 132 (8th Cir. 1985).

510; Rockford Map Publishers, Inc., supra. Cf. Eckes v. Card Prices Update, 736 F.2d 859, 862-63 (2d Cir. 1984) (copyrightability of baseball card guide found in selection of 5,000 premium cards).<sup>17/</sup> Therefore, because the printout was derived only from the uncopyrightable data base tape, Lane cannot, as a matter of law claim copyright protection in the printout as a derivative work. See Lone Ranger Television v. Program Radio Corp., supra at 722. Precluded from maintaining an action for infringement of the printout itself due to her failure to register a copyright in this work, Lane's infringement claim premised on the printout is untenable and must be dismissed.

---

<sup>17/</sup> Insertion of "parentheses" around each add on the tape does not involve selection, coordination or arrangement of the preexisting information so as to render the tape an original work of authorship. The parentheses constituted not a means of expressing an idea, which might qualify for copyright protection, but rather a method of identifying certain data on the tape so that a computer program could later be written to extract these items for analysis. (Tr. I, 28, 37). Even if the parentheses could suffice to render the tape copyrightable as a compilation, because the printout did not reproduce the parentheses, the printout still contained no copyrightable portion of the underlying work in which Lane could claim protection as a derivative work. See Lone Ranger Television, supra at 722.

C. Summary Judgment Should Be Awarded To The State Defendants Because The Works Which Allegedly Infringed On Plaintiff's Works Were Prior, Independent Creations Or Independently Created Works.

i. Summary Judgment May Be Awarded To A Defendant In A Copyright Action Where The Uncontroverted Facts Reveal That The Defendant Created Its Work Either Prior To Or Independently Of The Plaintiff's Work.

In deciding a motion for summary judgment in a copyright action, courts consider and apply the legal prerequisites to establishing a prima facie case of infringement. See O'Neill v. Dell Publishing Co., Inc., 630 F.2d at 686. To defeat the motion, "the opposing party must show that there is a genuine and material issue of fact. The evidence as to the dispute must be substantial and go beyond the allegations of the Complaint". Id. See Celotex Corporation v. Catrett, 106 S. Ct. at 2553.

To make out a prima facie case of copyright infringement the plaintiff must prove ownership of a valid copyright in a work and copying of that work by the defendant. Since direct evidence of the latter element is rarely available, copying may be established indirectly by the plaintiff's proof that 1) the defendant had access to the plaintiff's work prior to the creation of defendant's work; and 2) there exists a "substantial similarity of copyrightable expression" between



the plaintiff's work and the defendant's work. See Meta-Film Associates, Inc. v. MCA, Inc., 586 F. Supp. 1346, 1354-55 (C.D. Cal. 1984). See also O'Neill v. Dell Publishing Co., Inc., 630 F.2d 686 (1st Cir. 1980). To prove access, a plaintiff must show that there was a "reasonable possibility" that the defendant viewed the allegedly infringed work. Jason v. Fonda, 526 F. Supp. 774, 775-76 (C.D. Cal. 1981), aff'd, 698 F.2d 966 (9th Cir. 1982); Ferguson v. National Broadcasting Co., 584 F.2d 111, 113 (5th Cir. 1978).

A defendant may prevail on a motion for summary judgment in a copyright action by presenting unrefuted facts which reveal that defendant's work was created prior to the allegedly infringed work authored by the plaintiff. See Hebert v. Wicklund, 1984 Copyright Law Dec. (CCH) ¶ 25, 683 (1st Cir. 1984);<sup>18/</sup> Pellegrino v. American Greetings Corp., 592 F.Supp. 459, 462 (D.S.D. 1984) aff'd without opinion, 760 F.2d 272 (8th Cir. 1985). Essentially, the defense of independent prior creation precludes a plaintiff from producing any evidence on an essential element of his claim; specifically, that the defendant had "access" to the plaintiff's work prior to creation of defendant's allegedly infringing work. Hebert v. Wicklund, supra. Courts have also customarily allowed summary judgment in copyright actions where a plaintiff has

---

<sup>18/</sup> (A copy of this decision has been attached to this memorandum.)

failed to adduce evidence necessary to create a genuine issue of material fact concerning whether the defendant had access to the plaintiff's work before creation of the allegedly infringing work. See Jason v. Fonda, supra; Ferguson v. NBC, supra at 113; Meta Film Assoc., Inc., 586 F. Supp. 1346, 1355 (C.D. Cal. 1984).

In Hebert v. Wicklund, supra, the First Circuit affirmed the District Court's allowance of defendant's motion for summary judgment where the plaintiffs presented no evidence to refute defendant's affidavit, in which she averred that she had written and marketed her basketweaving kit before receiving plaintiff's copyrighted material. Similarly, in Pellegrino, the court awarded summary judgment to the defendant based on the undisputed fact that defendant's "Ziggy" cartoon was published in a copyrighted work prior to the date when the plaintiff first publicized his children's book that also featured a character named Ziggy. See Pellegrino v. American Greetings Corp., 592 F.Supp. at 461-62. In these cases, the decisions of the courts turn on the presentation of uncontroverted facts that show that the creation of defendants' allegedly infringing works preceded the creation of, or access by the defendant to, the plaintiffs' copyrighted works. See Hebert v. Wicklund, supra; Pellgrino, supra.

A defendant may also be entitled to summary judgment although his work was created after the plaintiff's work, where

the unrefuted facts reveal that the allegedly infringing work was created independently of the plaintiff's work. See Ferguson v. National Broadcasting Co., 584 F.2d 111, 113 (5th Cir. 1978); Meta-Film Assoc., Inc. v. MCA, Inc., supra at 1359; Scott v. Paramount Pictures Corp., 449 F.Supp. 518, 519-20 (D.D.C. 1978); aff'd without opinion 607 F.2d 494 (D.C. Cir. 1979); cert. denied sub nom. Hall v. Paramount Pictures Corp., 449 U.S. 849 (1980).

- ii. The Commonwealth's Works Were  
Either Created Prior To Lane's  
Works Or Were Otherwise Created  
Independently Of Her Works.

Assuming arguendo that Lane can show that the printout and Format 3 are copyrightable within the meaning of the Copyright Act, the state defendants still must prevail in this motion for summary judgment since the undisputed and unrefutable facts presented to this Court show that each allegedly infringing work of the state defendants was created either prior to creation of Lane's works, prior to defendants' access to her works, or otherwise independently of such works.<sup>19/</sup>

---

<sup>19/</sup> For the purpose of this motion only, the state defendants assume that they had access to the printout and Format 3.

1. The IUMAS Chart of Accounts Was  
Created Prior to Creation Of  
Lane's Printout or Format 3.

Lane alleges that the state defendants infringed on her copyright in the printout and in Format 3 by using "similar expressions of ideas" regarding the categories of revenues and expenditures in the IUMAS Chart of Accounts. (¶ 28; Tr. II, 114-115, 143-44).

To understand the Commonwealth's claim of independent prior creation of the uniform Chart of Accounts in the IUMAS, it is crucial to explain the development of the IUMAS by the Department and its contractor, Touche, Ross & Co. ("Touche Ross"). Dating from the late nineteenth century, the cities and towns in the Commonwealth reported municipal revenues and expenditures in conformance with the principles of the Uniform Municipal Accounting System (UMAS), which was developed and administered by the Department. (Tr. II, Exh. 11, 1-1; Affidavit of Harvey J. Beth, ¶ 3). This system included a "Chart of Accounts", a set of uniform accounts for classifying financial data, in part, by revenues and expenditures (Exh. 11, 1-1, 4-1). The UMAS was embodied in a book, published by the Commonwealth in the 1930s, entitled "Functions of General Ledger Accounts". (Exh. 11, 1-3; Beth, ¶ 3).

Given the increased scrutiny of local governmental operations in recent years, including "the accuracy and adequacy of financial disclosure" within these governmental

entities, the Municipal Finance Officers' Association, in 1979, published guidelines for uniform financial reporting for state and local governments (Exh. 11, 1-2). The guidelines emphasized that to achieve the goal of adequate and accurate financial reporting, "uniformity in the presentation of financial information and the consistent application of accounting principles" were required. (Id.) To obtain such uniformity, the guidelines prescribed that financial statements should be prepared in accordance with "generally accepted government accounting principles (GAAP) . . .". (Id.) The GAAP are embodied in a treatise, published by the Municipal Finance Officers' Association in 1968 and revised in 1980, and entitled "Governmental Accounting, Auditing and Financial Reporting" ("GAAFR"). (Beth, ¶ 4, Deposition of Thomas Megan, Tr. 13, Tr. II, Exh. 11, 2-1). The GAAFR included a Chart of Accounts that incorporated GAAP. (Beth, ¶ 5).

Harvey Beth, then Director of the Bureau of Accounts within the Department, recognized that the existing UMAS did not enable municipalities to report financial data in accordance with GAAP. (Exh. 11, 1-2, Beth, ¶ 4). The Bureau of Accounts undertook a project to revise and improve the existing UMAS, with Beth and Edward J. Collins, Deputy Commissioner of the Division of Local Services assuming supervisory responsibility over the project. (Beth, ¶ 4-6, Affidavit of Edward J. Collins, ¶ 9). The IUMAS project commenced in May of 1980 when

the accounting and consulting firm of Touche, Ross was awarded the contract to develop the revised accounting system (Exh. 11, 1-3; Beth, ¶ 8). Thomas Megan, a partner at Touche, Ross, supervised this project for the consultant. (Megan Tr. 44). Touche, Ross, in conjunction with the Bureau of Accounts, first analyzed the existing UMAS, seeking to preserve the strengths of the system while revising it as much as possible to make it comport with GAAP. (Exh. 11, 1-3, 2-1; Beth, ¶ 9; Megan Tr. 12-13, 22).

The Chart of Accounts in the IUMAS was modeled on the Chart of Accounts in GAAFR. (Beth, ¶ 10; Megan Tr. 15-16). The IUMAS Chart of Accounts provides, inter alia, for a uniform method of reporting financial information concerning revenues and expenditures by separately categorizing sources of revenue and objects of expenditure, and assigning each category a code number. (Exh. 11, 4-1, 4-2). The Chart of Accounts follows GAFFR by classifying every revenue account according to its fund<sup>20/</sup> and the particular source of its revenue, and each category is given a code number. For example, real estate tax

---

<sup>20/</sup> Financial data in the Chart of Accounts is always classified first by "fund". (Id. at 4-1). A "fund" is defined in part as a "fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources together with all related liabilities and residual equities or balances, or changes therein. Funds are established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special legislation (e.g. Capital Projects), regulations (e.g. Federal Revenue Sharing), or other restrictions (e.g. Trust Funds)." (Id.)

revenue is classified both as to its fund, general fund, 01, and by the specific source of revenue, real estate taxes, 120 (Id. at 4-4, Beth, ¶ 10). Expenditure accounts are also classified as in the GAFFR by fund, as well as by function<sup>21/</sup> and organizational responsibility<sup>22/</sup> and by object of the expenditure. (Id.)<sup>23/</sup> The specific categories for revenues and expenditures in the IUMAS Chart of Accounts were derived almost entirely from the GAAFR, the UMAS or the original Schedule A form. (Beth, ¶ 11, Affidavit of Kenneth Marchurs, ¶ 3). A very limited number of items were included in the Chart of Accounts based on the recommendations of a Project Review Board, selected by Beth, which was comprised of practicing city or town accountants (Beth, ¶ 11-13).

Touche Ross developed a draft of the IUMAS Chart of Accounts as early as June, 1980 (Megan Tr. 32-35 and Exh. 5). This draft was tested in three "pilot communities" and

---

<sup>21/</sup> A "Function" describes, in broad terms, "the reason for the transaction from a nonaccounting point of view. For example, why the money is being spent (general government, public safety, other)". (Id. at 4-1).

<sup>22/</sup> "Organizational Responsibility" identifies the organizational unit responsible for the transaction "in one of two ways: (1) as a "department," e.g. Police Department, Department of Public works, or (2) by a "title", e.g. Town Clerk, City Auditor." (Exh. 11, 4-2).

<sup>23/</sup> For example, an expenditure for salaries for permanent employees in the mayor's office would be classified by General Fund, 01, General Government, Mayor, 001 (function and organizational responsibility), and salaries, permanent positions (110) (object of expenditure) (Exh. 11, 4-6).

presented to the Project Review Board organized by the Bureau of Accounts. (Megan Tr. 34, Exh. 5; Beth, ¶ 12). Based on experiences in the pilot communities and comments from the Board, changes were made in the draft Chart of Accounts. (Beth, ¶ 12). Other field test versions of the Chart of Accounts were developed and submitted to Bureau of Accounts personnel for comments and suggested revisions (Beth, ¶ 13; Megan Tr. 30-31). A nearly final version of the IUMAS, which included the Chart of Accounts, was submitted by Touche Ross on May 22, 1981. (Beth, ¶ 14; Megan Tr. 19-20). In June, 1981 a training session was held with accountants from municipalities throughout the state to acquaint them with the IUMAS manual. (Beth ¶ 14, Megan Tr. 20). After making minor changes as a result of the comments received at the training sessions, the IUMAS manual, including the Chart of Accounts, was completed on or about July 1, 1981. (Beth, ¶ 14-15, Megan Tr. 19-20, 36-37).

Lane testified that the printout was not created until sometime in October, 1981 (Tr. II, 188, Tr. I, 84). Thereafter, but sometime in the fall of 1981, a copy of the printout was delivered by the Bank of Boston to Harvey Beth. (Lane Tr. I, 90, 93-94; ¶ 17). These facts clearly show that the IUMAS Chart of Accounts was completed even prior to the creation of the plaintiff's printout<sup>24/</sup> It follows that the

---

<sup>24/</sup> Even the date that Lane states on her copyright registration application as the date of first publication of the 1980 data base, August 15, 1981, exceeds the date on which the Department completed the IUMAS manual. (Lane Tr. II, Exh. 24; Tr. I, 33-35).



state defendants did not have access to the printout until after the Chart of Accounts had been completed in July, 1981. (Beth, ¶ 25, Collins, ¶ 10, Affidavit of Robert L. Heinzmann, ¶ 10).<sup>25/</sup> As a prior, independently created work, the IUMAS could not have incorporated material from the printout and could not have infringed on any copyright that plaintiff may have in the printout. See Hebert v. Wicklund, supra.

Lane testifies that she only completed her version of Format 3, which was deposited with the Copyright Office, in April, 1982 (Tr. II, 52-53). Her copyright application shows the first publication of Format 3 as May, 1982 (Tr. II, 73, and Exh. 24). Either date is later than July, 1981, the date on which the allegedly infringing work, the IUMAS Chart of Accounts, was created in final form. (Beth, ¶ 15; Tr. II, Exh. 11). The Chart of Accounts thus was an independent, prior creation and could not have infringed upon plaintiff's Format 3. See Pellegrino v. American Greeting Corp., supra at 461-62.<sup>26/</sup>

---

<sup>25/</sup> Significantly, Lane does not contend either in her Complaint or her depositions that the Commonwealth had access to her printout prior to October, 1981. (¶ 17; Lane Tr. II, 188; Tr. I, 90).

<sup>26/</sup> In addition, by Lane's own testimony and allegations of infringement, the state defendants did not have access to Format 3 until well after the Chart of Accounts was completed. Lane has alleged that the Commonwealth had access to a copy of Format 3, included in her booklet "Schedule A Database, FY '81", sometime after the booklet was published in December of 1982 (¶ 27; Tr. II, 214, 164). (See Beth, ¶ 26, Heinzmann, ¶ 12; Collins, ¶ 10).

Moreover, the entries in the IUMAS Chart of Accounts are almost entirely derived from preexisting works, specifically, the GAAFR, the UMAS and the original Schedule A form. (Beth, ¶¶ 10-11; Marchurs, ¶ 3). Thus, the Chart of Accounts was developed from works that even further predated Lane's printout and Format 3. (Id.). These unrefutable facts further demonstrate that the IUMAS Chart of Accounts was created prior to and independently of the printout or Format 3.

2. The Schedule A Data Base Was  
Designed Prior To Creation Of  
The Printout Or Format 3.

Lane asserts the same allegations of infringement with respect to the Schedule A data base and the revised Schedule A form. (Tr. II, 130). As an initial matter, in her deposition, Lane admitted that she was not certain that she had seen a copy of the Commonwealth's Schedule A data base. (Tr. II, 120-121, 123-126). Lane recalled seeing a printout of Schedule A data for the Town of Hingham and she was "told" that the printout was the Schedule A data base. (Tr. II, 124). However, Lane could not identify a copy of the Schedule A data base when it was shown to her at her deposition. (Tr. II, 125-126 and Exh. 12).

In 1979, the Department commenced a project to create a municipal data bank that would contain, inter alia, various types of current and historical financial information. (Beth,

¶ 18, Collins, ¶¶ 3-4). Among the financial data included in the data bank was information reported on the Schedule A form. (Id.) The Department contracted with Touche, Ross to design the entire data bank, including the design of the individual data bases. (Beth, ¶ 19, Collins, ¶ 5). Touche Ross completed its "Detailed Design" for the data bank in October, 1980. (Beth, ¶ 19, Collins, ¶ 5). This Detailed Design included a design of the Schedule A data base, set forth in Appendix K of the document. (Id.) This design was based on a modified uniform chart of accounts, similar to the chart of accounts then being developed by Touche, Ross for the IUMAS project. (Beth, ¶ 19, Collins, ¶ 5). It was expected that this design for the Schedule A data base would coincide with the format for the revised Schedule A form which the Department planned to design based on the IUMAS Chart of Accounts. (Id.)

Defendant Roberta Heinzmann was hired by the Department in August, 1983, and one of her primary responsibilities was to assist personnel from Sperry Univac Corporation, the consultant hired to program the municipal data bank. (Heinzmann, ¶ 3-4, Collins, ¶ 7). Heinzmann was largely responsible for supervising the programming of the Schedule A portion of the data bank. (Id.) The Department used Appendix K from the Detailed Design as the design for the Schedule A data base with the exception of five data elements that were derived from the

original Schedule A form.<sup>27/</sup> (Heinzmann, ¶ 8; Collins, ¶ 8).

The creation of the design for the data base in October, 1980 predated creation of either the printout or Format 3. (Tr. II, 188, 52-53). Accordingly, the Schedule A data base design, as a prior, independently created work, could not have infringed on Lane's works. See Pellegrino v. American Greeting Corp., supra.

3. The Revised Schedule A Form Was Predicated on The IUMAS Chart of Accounts, Was Created Prior to The Date That The State Defendants Had Access to Format 3 And Was Created Independently of Plaintiff's Works.

The plaintiff claims that the state defendants infringed on her copyrights in the Printout and Format 3 by copying "similar expressions of ideas" concerning "entries for revenues and expenditures and similar arrangements" of these categories in creating the revised Schedule A form for fiscal year 1982 ("revised Schedule A form"). (¶¶ 28-29; Tr. II, 85, 103-04, 108-09).

At the outset, the strangeness of Lane's claim of infringement in the revised Schedule A form must be recognized. In her deposition, Lane identified the revised

---

<sup>27/</sup> These elements were the following: Beginning Balance-General Fund, Beginning Balance-Federal Revenue Sharing Fund, Pensions, Ending Balance-General Fund, and Ending Balance-Federal Revenue Sharing Fund." (Heinzmann, ¶ 8, Collins, ¶ 8).

Schedule A form as the allegedly infringing "revised Schedule A" that she referred to in her complaint. (Tr. II, 85-86, and Exh. 10). Lane testified that she first saw the revised Schedule A form "in the summer of 1982" when she learned that it had been completed and she asked the Bureau of Accounts to send her a copy. (Tr. II, 86). Initially, it is baffling why Lane did not institute any copyright infringement action until March, 1985, almost three years after she first saw this allegedly infringing work. In addition, Lane testified that, on the Bank's instructions, she reordered her Format 3 based on the IUMAS Chart of Accounts, in order to make the Format 3 consistent with the revised Schedule A form (Tr. II, 86-87). This very same Format 3 is the copyrighted work that Lane claims the state defendants infringed on in the IUMAS Chart of Accounts and the revised Schedule A. Most peculiar and questionable of all is why Lane would claim that the Commonwealth infringed on the revised Schedule A form, which form she had included, and referred to as the Bureau of Account's revised Schedule A in her booklet, "Schedule A Data Base FY '81", published in December, 1982. (Tr. II, Exh. 11, pp. 3-4 and Attachment V). In the booklet, Lane wrote that she applied GAAP to her Format 3, "[t]o guarantee the comparability of [her] Schedule A data base with the revised Schedule." (Exh. 3, p. 4). This "revised Schedule," reproduced in the booklet, is a blank copy of the revised Schedule A form, which

Lane now claims allegedly infringed on her Format 3 and the printout. (Tr. II, 85-86 and Exh. 3, Attachment V).

Aside from the dubious credibility of Lane's claim, the unrefutable facts show that the revised schedule A form was created completely independently of Lane's works. The Department recognized that the Schedule A form, which was based on the original UMAS did not enable municipalities to report their revenues and expenditures in accordance with GAAP. (Beth, ¶ 4, 20). The Department decided, therefore, early in 1981, to revise the Schedule A form based on the uniform Chart of Accounts in the IUMAS. (Beth, ¶ 20). The Department had a cooperative arrangement with the Governments Division of the Bureau of the Census ("Census Bureau"), since 1975. (See Affidavit of James J. Hogan, Public Finance Analyst, Census Bureau, ¶ 6). Under this arrangement the Census Bureau photocopied Massachusetts Schedule A forms, thereby eliminating the need for the Census Bureau examiners to collect the same data needed for determining the state's allocation under federal revenue sharing laws. (Id.). James J. Hogan, a Public Finance Analyst with the Census Bureau had worked directly with the Department on this endeavor (Id.). On behalf of the Department, early in 1981 Harvey Beth made an agreement with Hogan whereby Hogan would prepare a revised Schedule A form to be used on an experimental basis by certain towns in Massachusetts for the 1982 fiscal year. (Beth, ¶ 20; Hogan,

¶ 7). Beth informed Hogan that the Department wanted the revised form to be based on the IUMAS Chart of Accounts (Beth, ¶ 20, Hogan, ¶ 7). By mid-June, 1981, Beth had forwarded to Hogan, a copy of the Chart of Accounts, which was then in nearly final form. (Beth, ¶ 21, Hogan, ¶ 9).<sup>28/</sup>

Hogan prepared the revised Schedule A form based on the Chart of Accounts as well as on two other comparable forms that he had prepared for Indiana and Michigan (Hogan, ¶ 10). During his work on revising the Schedule A form, Hogan had no knowledge of Format 3, the printout, or any other works produced by Joan F. Lane. (Id.). Furthermore, Hogan avers that at no time during his work on revising the form, did Harvey Beth or Edward Collins mention Joan Lane to him, or suggest that he use any works of Lane or Lane & Co. (Id. at ¶ 13).

Hogan completed a draft of the revised Schedule A form in late 1981 or early 1982 (Id. at ¶ 11). Beth suggested that some minor revisions be made, which consisted of adding or deleting some object of expenditure categories and types of enterprise funds. (Hogan, ¶ 11, Beth, ¶ 24). The revised Schedule A form was completed in July, 1982 and sent out to a limited number of municipalities that fall. (Hogan, ¶ 12, Beth

---

<sup>28/</sup> Beth had also transmitted to Hogan, a copy of "Appendix K" of the Conceptual Design and the Detailed Design of the Municipal Data Bank. (Hogan, ¶ 9; Beth, ¶ 21).

¶ 25). Beth avers that during his work on revising the Schedule A form, he in no way utilized Joan Lane's printout, Format 3 or any other work produced by the plaintiff (Beth, ¶ 28).

Moreover, an examination of the revised Schedule A form and the Chart of Accounts reveals that the former followed the latter document faithfully in the titles used for the entries denoting revenues and expenditures. (Beth, ¶ 22, Marchurs, ¶ 4). A minority of specific categories in the revised Schedule A form differs from the IUMAS categories only by incorporating certain Massachusetts statutes that provide for generation of revenues or expenditures for specific purposes by municipalities. (*Id.*)<sup>29/</sup> Because the Chart of Accounts predated creation of either the printout or Format 3, it follows logically that the revised Schedule A form, predicated closely on the Chart of Accounts is also an independently created work. See Scott v. Paramount Pictures Corp., 449 F. Supp. at 519-20. It is inconsequential that the state defendants, as Lane claims, had possession of a copy of the printout in October, 1981, when the unrefuted facts show that the revised Schedule A form was derived from a preexisting work which predated creation of Lane's printout.

---

<sup>29/</sup> Only two items on the entire revised Schedule A form did not derive from either the Chart of Accounts or the specific Massachusetts statutes described above. (Beth, ¶ 23, Marchurs, ¶ 4). The first item, "Special Assessment" Fund for "Electrical Service" was mislabelled, and the second item "School Committee Fund" was incorrectly included in the form. (Beth, ¶ 23).

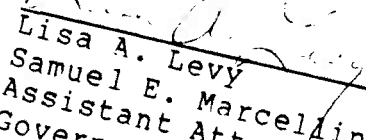


In addition, the revised Schedule A form was completed prior to the date when the state defendants had access to a copy of Format 3, which was sometime after December, 1982 when Lane gave Beth a copy of her booklet which contained a copy of Format 3. (Tr. II, 215, 216, Beth, ¶ 27, Heinzmann, ¶ 12, Collins, ¶ 10). By Lane's own testimony and the averments of her complaint, the booklet was not even published until December, 1982 (Tr. II, 214, 216; ¶ 27). Thus, because the revised Schedule A form was completed by July, 1982, prior to the date that the defendants had access to Format 3, the state defendants could not have infringed on Lane's copyright in Format 3 in creating the revised Schedule A form. See Jason v. Fonda, 526 F. Supp. at 777, aff'd 698 F.2d 967.

CONCLUSION

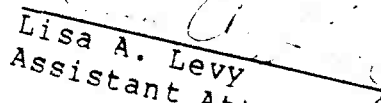
For all the reasons stated in this memorandum, this Court should grant summary judgment to the state defendants. Alternatively, if this Court does not allow summary judgment to every claim, the state defendants respectfully request that this Court grant partial summary judgment as to any of the plaintiff's claims concerning which there is no genuine issue of material fact.

Respectfully submitted,  
FRANCIS X. BELLOTTI  
ATTORNEY GENERAL

  
Lisa A. Levy  
Samuel E. Marcelino, Jr.  
Assistant Attorneys General  
Government Bureau  
One Ashburton Place, Room 2019  
Boston, Massachusetts 02108-1698  
(617) 727-1007

CERTIFICATE OF SERVICE

I, Lisa A. Levy, Assistant Attorney General, hereby certify that I have on this day served the above document upon all parties by mailing a copy first class, postage prepaid to: William F. Spallina, Esq., Heesch and Kelly, 1113 Washington Street, Newton, MA 02165 and Charles C. Winchester, Esq., Fish and Richardson, One Financial Center, Boston, MA 02111.

  
Lisa A. Levy  
Assistant Attorney General

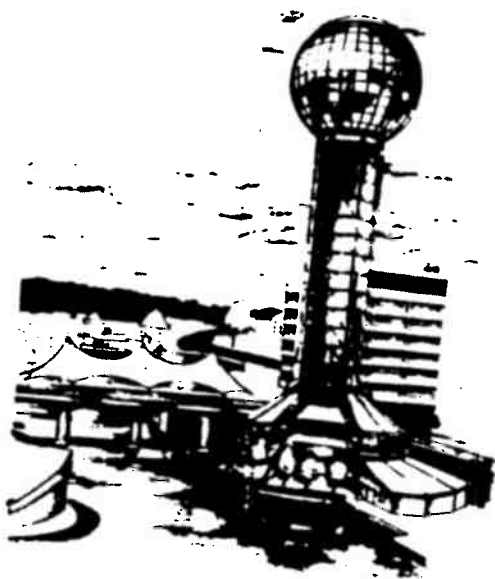
Date: January 16, 1987

19,052

Copyright Law Decisions

# APPENDIX

Figure A-3



1 25,682

©1984, Commerce Clearing House, Inc.

[125,683] Linda L. Hebert et al., Plaintiffs-Appellants v. Cordelia Wicklund d.b.a Lake Farm et al., Defendants-Appellees.

In the United States Court of Appeals for the First Circuit. No. 84-1050. Dated July 12, 1984. Appeal from the United States District Court for the District of Massachusetts.

**Infringement Actions—Remedies—Attorneys' Fees—First Challenge on Appeal.**—A trial court's order that the appellants pay attorneys' fees could not be challenged for the first time on appeal. By virtue of having contested the appellee's copyright infringement suit on the merits in the trial court, the appellants argued that they had implicitly opposed the appellee's motion for attorneys' fees because such fees are awardable only to a prevailing party. However, opposition on the merits did not preserve the challenge to attorneys' fees, because the appellants contested the award of fees on different grounds. Although the appellee was not the prevailing party at the time of her motion for attorneys' fees, the court properly awarded attorneys' fees for the appellee when it decided the suit on the merits. Furthermore, the appellants could have opposed the award because the appellee had filed a separate motion for attorneys' fees.

Back reference: ¶7145.

Richard F. McCarthy, with Richard E. Bennett, and Willcox, Pirosozolo and McCarthy Professional Corporation on brief, for the plaintiffs-appellants. Nonnie S. Burnes, with Richard S. Bookey and Hill & Barlow on brief, for the defendant-appellee Wicklund.

Before COFFIN and BREYER, Circuit Judges, and PETTINE,\* Senior District Judge.  
[Opinion in Full Text]

COFFIN, Circuit Judge: Appellants Linda and Roger Hebert appeal from an award of summary judgment and attorney's fees to defendant Cordelia Wicklund in a copyright infringement action arising out of Wicklund's alleged copying of the Heberts' basketweaving kit.<sup>1</sup> In granting Wicklund's motion for summary judgment, the district court noted that the Heberts had produced no evidence to counter Wicklund's evidence that she had written and marketed her kit long before receiving the Heberts' copyrighted material.

The Heberts contend that the district court abused its discretion in accelerating the pace of this litigation, thereby denying the Heberts an opportunity to conduct discovery prior to the district court's disposition of Wicklund's summary judgment motion. The Heberts further contend that the record, although hurriedly assembled, contained sufficient genuine issues of material fact concerning copyright infringement to preclude summary disposition.

On July 6, 1983, the Heberts filed their verified complaint along with a motion for a temporary restraining order and preliminary injunction. On July 18, Wicklund filed an opposition to the Heberts' motion.

\* Of the District of Rhode Island, sitting by designation.

<sup>1</sup> The Heberts sought damages and injunctive relief under the Copyright Act of 1976, 17 U.S.C.

Wicklund also filed a motion for summary judgment and a supporting affidavit that explained her prior publication and sale of her basketweaving kit. Also on July 18, the court held a hearing on the Heberts' motion for provisional relief. Cecil Ryan, a shop owner in Suncook, New Hampshire, testified for Wicklund. He stated that he had been selling Wicklund's kit at his shop since January 1981 and that the instructions in Wicklund's kit had remained substantially unchanged since that time. The record indicated that Wicklund did not receive a copy of the Heberts' kit until August 1982.

At the close of the hearing, the court denied the Heberts' request for injunctive relief on the grounds that they had not demonstrated a likelihood of success on the merits. The court warned that if the Heberts could not contradict Ryan's testimony concerning prior use, then that testimony would probably warrant summary judgment for Wicklund.

On July 28, the Heberts filed an opposition to Wicklund's motion for summary judgment. The Heberts cited Fed. R. Civ. P. 56(f) in asking the court to delay decision of the motion pending further discovery. Also on July 28, the court directed the parties to file supporting affidavits within five days, and informed the parties that Wicklund's

§501 et seq. They also sought relief under section 43(a) of the Lanham Act, 15 U.S.C. §1125(a), and under Mass. Gen. Laws ch. 93A, §12 & 11.

motion for summary judgment would be decided on affidavits, without further hearing, and that the court would consider any sworn and uncontradicted testimony given at the July 18 hearing. A clerk of the court apparently informed the Heberts' counsel of this order by telephone on July 28.

Five days later, on the August 2 deadline, the Heberts filed a motion to dismiss without prejudice, which they withdrew on August 10 following Wicklund's opposition. On August 3, the Heberts' counsel wrote an undocketed letter to the district court's courtroom clerk. The letter asked the clerk to bring to the court's attention the Heberts' motion to dismiss. The letter further requested that the court delay a decision on Wicklund's summary judgment motion pending further investigation and examination of the then-unavailable transcript of the July 18 hearing.

On August 16, two weeks after the August 2 deadline, the Heberts filed the affidavit of attorney Fred Scribner III, an investigator retained by the Heberts' counsel. The Scribner affidavit compared the instructions and diagrams in the Hebert and Wicklund's basketweaving kits and recounted Scribner's conversations with Cecil Ryan, the shop owner who had testified for Wicklund at the July 18 hearing, and with Mrs. Pat Smalley, who had purchased several of Wicklund's kits from Ryan's store. On Wicklund's motion, the court struck the Scribner affidavit on the grounds that it was untimely<sup>1</sup> and violative of Fed. R. Civ. P. 56(e) for containing "nothing except inadmissible opinions and hearsay." Memorandum and Order, Dec. 6, 1983, App. 248.

The Heberts then attempted to take several depositions, but Wicklund filed a motion for a protective order staying discovery pending a decision on her motion for summary judgment. The depositions remained untaken as of December 5, when the court granted Wicklund's motion for summary judgment and awarded Wicklund her requested \$1,400 in attorney's fees.

The judgment against the Heberts seems attributable to their inattention both to the central issue of prior use and to the Federal Rules of Civil Procedure in the crucial weeks following the July 18 hearing. The

Ryan testimony at that hearing and the Wicklund affidavit filed the same day presented facts that formed the foundation of Wicklund's defense of prior use. The Heberts could not then simply rest on their evidence that they possessed valid copyrights on their kit and catalogue, that the Heberts and Wicklund kits had many similarities, and that Wicklund had obtained a copy of the Heberts' kit and catalogue in August 1982.

As of the district court's August 2 deadline, the Heberts had filed no affidavits or other documents on the issue of prior use. The Heberts' verified complaint and the affidavit of Linda Hebert detailed the similarity of the Hebert and Wicklund kits, but neither document mentioned, much less refuted, Wicklund's defense of prior use. In fact, the district court properly rejected that affidavit for the reasons stated. See *supra* page 4 (affidavit untimely and in violation of Rule 56(e) in several respects).

We can understand how the Heberts might have been unable to marshal facts to "prove the negative"—that Wicklund had not published or marketed her kit prior to August 1982, when she acquired the Heberts' kit—in the brief period permitted by the Court.

However, the Federal Rules provide an escape hatch. Rule 60(f) states:

"Should it appear from the affidavits of a party opposing the [summary judgment] motion that he cannot for reasons stated present by affidavit facts essential to justify his opposition, the court may refuse the application for judgment or may order a continuance to permit affidavits to be obtained or depositions to be taken or discovery to be had or may make such other order as is just."

The Heberts did not comply with the rule. They never filed an affidavit presenting reasons why they could not present facts essential to justify their opposition. The Heberts now contend that three submitted items constituted the functional equivalent of a 56(f) affidavit: (1) their opposition to Wicklund's motion for summary judgment; (2) an undocketed letter from their counsel

Scribner affidavit was two weeks late. The Heberts' counsel had not even retained Scribner until August 5, three days after the deadline. Affidavit of Richard F. McCarthy, Sept. 1, 1983, App. 229.

<sup>1</sup> With respect to Wicklund's motion for summary judgment, filed July 18, the court had extended the 10-day period for filing oppositions and supporting affidavits and memoranda, Local Rule 12a(12), by five days, from July 28 to August 2. According to the district court's docket sheet, the

<sup>2</sup> The district court noted: "This court cannot fairly if attorneys assume this court. I did not recognize motion, and would have denied random and Order, Dec. 5, 1983."

<sup>4</sup> Many cases state that continuance routinely granted under Rule 6

at that hearing and the  
it formed the same day  
ence of prior use. The  
then simply rest on their  
possessed valid copy  
and catalogue, that the  
kits had many simi-  
klund had obtained a  
kit and catalogue in

rt's August 2 dead-  
no affidavits or  
issue of prior use.  
plaint and the af-  
firmed the similar-  
ed, much less re-  
of prior use. In  
the Heberts ad-  
rt's assertion of  
reasons stated,  
timely and in al  
respects).

the Heberts  
shal facts to  
cklund had  
kit prior to  
quired the  
permitted

de an es-

vits of a  
gment)  
stated  
to jus-  
refuse  
order  
to be  
dis-  
ther

le.

pa-  
ns-  
a

to the district court's courtroom clerk; and  
(3) the Scribner affidavit. We will examine  
these documents in order.

(1) The opposition is not an affidavit. The  
opposition explicitly refers to Rule 56(f) in  
asking for more time to proceed with depoi-  
tions and other discovery, but it gives no  
reasons for the requested delay. Reference is  
made to the verified complaint and to the  
affidavit of Linda Hebert, but these docu-  
ments neither mention the issue of prior use  
nor explain the need for more time. None-  
theless, the district court in fact responded  
to the Heberts' request by granting a five-  
day extension, but the Heberts filed nothing  
in that five-day period besides a motion, sub-  
sequently withdrawn, to dismiss without  
prejudice.

(2) The letter sent by the Hebert's counsel  
to the courtroom clerk on August 3 similarly  
does not satisfy the requirements of Rule  
56(f). The letter was not docketed; it was not  
an affidavit; and it was not submitted by a  
party.<sup>3</sup> The Heberts suggest that *Littlejohn*  
*v. Shell Oil Co.*, 483 F.2d 1140, 1146 (5th  
Cir.) (en banc), cert. denied, 414 U.S. 1118  
(1973), required the district court to treat  
the letter as a Rule 56(f) affidavit. In *Little-*  
*john*, the Fifth Circuit, "to put of an abun-  
dant of caution and to prevent a possible  
injustice", treated a non-affidavit pleading  
filed by plaintiff's counsel in an antitrust  
suit as sufficient under Rule 56(f).

*Littlejohn* does not require acceptance of  
the Heberts' counsel's letter as a Rule 56(f)  
affidavit. The *Littlejohn* submission (a) was  
docketed (b) within applicable time limits  
and (c) referred to the specific facts that the  
plaintiff needed to discover from the defend-  
ants to oppose their summary judgment  
motion. In the case at bar, the district court  
would have been justified in rejecting the  
letter for being either undocketed or late.  
Moreover, the letter's request for more time  
was not so compelling as to convince the  
court that only a more-than-flexible applica-  
tion of Rule 56(f) would avoid an injustice.  
The August 3 letter stated that the Heberts  
needed an extension of the deadline because  
the transcript of the July 18 hearing would

not be available until August 8. Admittedly,  
the transcript would have permitted the  
Heberts to fine tune any rebuttal to the  
prior use defense presented through the tes-  
timony of Ryan, the sole witness at the hear-  
ing. But the transcript was by no means  
indispensable, considering that the Heberts  
counsel had attended the hearing and had  
cross-examined Ryan, and that Ryan's  
entire testimony, which was simple and  
straightforward, occupied but seven pages of  
a twenty-one-page transcript. App. 116-22.

(3) The Scribner affidavit was untimely,  
Scribner is not a party, and his affidavit did  
not state reasons why the Heberts could not  
file opposing affidavits. His affidavit was not  
labelled as a Rule 56(f) affidavit, and not  
accompanying motion or pleading designat-  
ed his affidavit as a 56(f) submission.

In sum, the district court acted well  
within its discretion in not treating the  
opposition, the letter, or the Scribner affida-  
vit as Rule 56(f) affidavits. See, e.g., *Wallace*  
*v. Brownell Pontiac-GMC Co.*, 703 F.2d 525,  
527 (11th Cir. 1983) (to invoke Rule 56(f),  
party must file affidavit stating reasons why  
more time is needed); *SEC v. Spence &*  
*Green Chemical Co.*, 612 F.2d 896, 901 (5th  
Cir. 1980) ("The determination of the ade-  
quacy of nonmovant's rule 56(f) affidavits  
and the decision whether to grant a continu-  
ance thereon rests in the sound discretion of  
the trial court."), cert. denied, 449 U.S. 1082  
(1981). Although a district court should gen-  
erally apply Rule 56(f) liberally, the court  
need not employ the rule to spare litigants  
from their own lack of diligence. 10A C.  
Wright, A. Miller, & M. Kane, *Federal Prac-*  
*tice and Procedure: Civil 2d* § 2740, at 532-35  
(1983). "The most obvious indication of lack  
of diligence is a failure on the part of the  
non-movant to present affidavits under  
either subdivision (c) or (f)." *Id.* § 2740, at  
535. The Heberts' actions fall within this  
definition of "lack of diligence". The  
Heberts had a brief but sufficient opportu-  
nity to file either Rule 56(e) affidavits creat-  
ing a genuine issue of fact concerning prior  
use or Rule 56(f) affidavits giving reasons  
why Rule 56(e) affidavits could not be filed  
by the court-imposed deadline.<sup>4</sup>

<sup>3</sup> The district court noted the letter's deficien-  
cies: "This court cannot function efficiently or  
fairly if attorneys assume that this type of casual  
representation is sufficient to invoke the powers of  
this court. I did not recognize this letter as a  
motion, and would have denied it if I had." Memo-  
randum and Order, Dec. 5, 1983, App. 248.

<sup>4</sup> Many cases state that continuances should be  
routinely granted under Rule 56(f) where the mov-

ing party has sole possession of the relevant facts  
that the non-moving party needs to oppose the  
summary judgment motion, e.g., *Ward v. United*  
*Laboratories, Inc. v. Concord Medical Center*, 552  
F.Supp. 549, 554 (N.D. Ill. 1982) (trademark  
infringement case in which defendant moved for  
summary judgment on basis of defense of contin-  
ous prior use, but plaintiff survived motion in part

### Attorney's Fees

The Heberts also appeal from an award of \$1,400 in attorney's fees to Wicklund. The district court awarded the fees under the Copyright Act of 1976, 17 U.S.C. § 806, which states:

"In any civil action under this title, the court in its discretion may allow the recovery of full costs by or against any party other than the United States or any officer thereof. Except as otherwise provided by this title, the court may also award a reasonable attorney's fee to the prevailing party as part of the costs."

On July 18, the day on which Wicklund filed her (ultimately successful) motion for summary judgment, Wicklund also filed a separate motion for attorney's fees. On August 3, Wicklund's counsel filed a supporting affidavit that detailed her work on the case. The Heberts made no response, before or after judgment, to Wicklund's motion or affidavit for attorney's fees. Wicklund contends that the Heberts may not for the first time on appeal challenge the district court's assessment of attorney's fees. We agree.

The Heberts offer two reasons why we should not apply this circuit's usual rule barring appeal of issues not advanced in the district court. See, e.g., *Cohen v. President & Fellows of Harvard College*, 729 F.2d 59, 60-61 (1st Cir. 1984) (per curiam); *Johnston v. Holiday Inns, Inc.*, 595 F.2d 890, 894 (1st Cir. 1979).

The Heberts argue that they implicitly opposed the motion for attorney's fees, which may be awarded only to a prevailing party, when they filed their opposition to Wicklund's motion for summary judgment. Even if we accept this statement, on appeal the Heberts have presented an entirely distinct reason for disallowing fees. Below, they argued against an award of fees because Wicklund was not entitled to be the prevailing party. On appeal, they have argued, with substantial case support, that even if Wicklund prevails on the merits, she should not be awarded fees because she has not shown that the Heberts' suit was frivolous, vexatious, or brought in bad faith. We can easily imagine circumstances under which

plaintiffs in the Heberts' position could lose on the merits but still make an independent, successful argument against a defendant's motion for attorney's fees. See, e.g., *Jartech, Inc. v. Clancy*, 686 F.2d 403, 407 (9th Cir.) (affirming Copyright Act judgment for defendants based on defense of "fair use", but reversing award of attorney's fees because plaintiffs' suit was not frivolous), cert. denied, 459 U.S. 828, 879 (1982). In the context of this case, the merits and fees are separate issues, and opposition on the merits does not suffice to preserve this challenge to an award of attorney's fees.

The Heberts also contend that they had no obligation to respond to Wicklund's motion for attorney's fees, because Wicklund had prematurely applied for fees before the court had declared her the "prevailing party". However, a district court may, and often does, simultaneously decide the merits and the attorney's fees issues of a suit. Such a disposition, where possible, represents an economical use of judicial resources, not only for the district court, but also for the court of appeals, which is thereby spared the burden of piecemeal appeals on the merits and on fees. *White v. New Hampshire Department of Employment Security*, 455 U.S. 445, 454 (1982). The fee award in this case should not have come as a total surprise to the Heberts. Wicklund had filed a separate motion for fees with a detailed supporting affidavit, and the district court had stated at the July 18 hearing that it would end the suit if the Heberts could not refute Wicklund's evidence of prior use. Thereafter, the Heberts "proceeded at their own risk in not filing a proper opposition to the request for fees, not requesting a hearing, ... and in not indicating, even in a perfunctory manner, that they would oppose an award of fees if [their summary judgment opposition was unsuccessful]". *Kargman v. Sullivan*, 589 F.2d 63, 67 (1st Cir. 1978).<sup>5</sup>

We conclude that the Heberts have not properly preserved the issue of attorney's fees. See *Pye v. Mitchell*, 574 F.2d 476, 484 (9th Cir. 1978) (under fee provision of old Copyright Act, appellant could not for the first time on appeal challenge appellees'

(Footnote Continued)

because material evidence was in defendant's control); 10A C. Wright, A. Miller, & M. Kane, *Federal Practice and Procedure: Civil* 2d § 2741, at 545-48 (1983), but this maxim represents a factor that the court should consider only after the non moving party has complied with the requirements of the rule. See, e.g., *Wallace v. Brownell Pontiac-GMC*

Co., 703 F.2d at 627; *Contemporary Mission, Inc. v. United States Postal Service*, 648 F.2d 97, 107 (2d Cir. 1981).

<sup>5</sup> Our present ruling should come to no surprise to the Heberts' counsel, who was counsel for the plaintiffs in *Kargman*.

summary of compensable hours); cf. *Miles v. Sampson*, 676 F.2d 5, 9-10 (1st Cir. 1982) (party may not on appeal make his initial demand for hearing on issue of attorney's fees under 42 U.S.C. § 1988). The Heberts' appeal of the district court's award of attorney's fees to Wicklund is not so compelling that our failure to give it full consideration constitutes a gross miscarriage of justice. We review awards of attorney's fees under the Copyright Act only for abuse of discretion,

see, e.g., *Hughes v. Novi American, Inc.*, 724 F.2d 122, 125-26 (Fed. Cir. 1984); *Twentieth Century Music Corp. v. Frith*, 645 F.2d 6, 7 (5th Cir. 1981) (per curiam), and the district court awarded a modest fee (\$1,400) for extremely able work.

Affirmed. Costs to appellees. No assessment of attorney's fees for work performed on the appeal.

[125,684] Pat Ahern Myers, plaintiff-respondent v. Waverly Fabrics, division of F. Schumacher & Company, defendant-appellant.

In the Supreme Court of New York, Appellate Division, First Judicial Department. No. 18613. Dated May 22, 1984.

**Transfer of Copyright—Written Conveyance—Nonexclusive License.**—An oral, nonexclusive license permitting the defendant to reproduce the plaintiff's design on fabrics and wallpaper was not required to be in writing by federal copyright law, but was unenforceable under state law. Under the Copyright Act, transfers of copyright ownership must be made in writing. Therefore, by negative implication, the oral transfer of nonexclusive rights to the defendant was valid. However, the license agreement did not satisfy the requirements of the New York statute of frauds that a contract be in writing if it is not to be performed within one year of its making.

Back reference: ¶ 4130.

Joel L. Hecker of Wolf, Popper, Ross, Wolf & Jones, New York City, for the plaintiff-respondent. Albert J. Breisen of Kenyon & Kenyon, New York City, for the defendant-appellant.

Before KUPPERMAN, Presiding Justice, CARRO, ASCH, BLOOM, and ALEXANDER, Justices.

[Opinion in Full Text]

Order of the Supreme Court, New York County (Kristin-Booth Glen, Jr., J.) entered May 13, 1983, which conditionally granted defendant's motion to amend its answer to assert the defense of the statute of frauds and denied defendant's motion for a summary judgment is modified on the law without costs, and the defendant's motion for summary judgment dismissing the complaint is granted, and otherwise affirmed.

Special Term properly granted the motion by defendant to amend its answer to assert the defense of the statute of frauds. The denial of the motion for summary judgment based upon the statute of frauds defense, however, was error. No matter how the respective positions of the parties concerning the substance and scope of the oral agreement are characterized there is no real dispute as to the legal effect of that agreement, such as would bar a grant of the motion for summary judgment.

The complaint herein alleges that plaintiff sold the right to defendant to reproduce

a design "solely on fabric" (and on wallpaper, as now conceded by plaintiff), and that in granting licenses to others to reproduce the design on other than fabric, defendants acted "in direct contravention of the terms of the agreement between plaintiff and defendant". Whether characterized as a sale "of a design with a perpetual restriction on its use" or "unlimited use of fabric design created solely for use on fabric and on wallpaper", it is clear that under the agreement Waverly was presented, in perpetuity, from using the design in any manner except on fabric or on wallpaper. Thus, Waverly could not perform its obligations under the alleged contract within one year from the contract's inception. The agreement therefore is subject to the provisions of § 5-801(a)(1) of the General Obligations Law, which requires an agreement which "by its terms is not to be performed within one year from the making thereof" to be in writing. (*Grossberg v. Double H Licensing Corp.*, 86 AD2d 665). That Special Term implicitly understood the application of the statute of frauds to this case is made clear from the suggestion



UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS

*Attachment*  
Comment Letter

RM 87-5

No. *40*

JOAN F. LANE d/b/a  
LANE & CO.

Plaintiff,

v.

THE FIRST NATIONAL BANK  
OF BOSTON, et al.

Defendants.

CIVIL ACTION  
NO. 85-0520-T

MEMORANDUM IN SUPPORT OF STATE DEFENDANTS'  
MOTION FOR AMENDMENT OF COURT'S ORDER AND  
FOR CERTIFICATION PURSUANT TO 28 U.S.C. §1292(b)

INTRODUCTION

This memorandum is submitted in support of the motion for certification under 28 U.S.C. §1292(b), brought by the Commonwealth of Massachusetts' Department of Revenue and the three nominal defendants, Harvey J. Beth, Edward J. Collins, Jr., and Roberta L. Heinzmann ("the state defendants"). The state defendants submit that the issue of whether the Eleventh Amendment to the United States Constitution bars the present action against them under the Copyright Act is a "controlling question of law", concerning which there is "substantial ground for difference of opinion", and that an immediate appeal of this question from this Court's denial of summary judgment "may materially advance the ultimate termination of the

litigation." 28 U.S.C. §1292(b). Therefore, state defendants request that this Court amend its previous order denying summary judgment to the state defendants by entering the proposed amended order attached to their motion, which provides for certification of the question concerning the Eleventh Amendment immunity of the state defendants.

#### STATEMENT OF THE CASE

##### Prior Proceedings

In March, 1985, the plaintiff, Joan F. Lane, filed her original complaint, alleging, inter alia, violations of the Copyright Act, 17 U.S.C. §§ 101 et seq., against the First National Bank of Boston ("the Bank") and the Commonwealth of Massachusetts. In April, 1985, plaintiff amended her complaint to add claims against the Commonwealth for misappropriation of trade secrets, civil rights violations, and injunctive relief. In response to the state defendants' motion to dismiss the complaint for lack of subject matter jurisdiction over the copyright count, and for failure to state a claim for relief under 42 U.S.C. § 1983, in June, 1985, the plaintiff sought and obtained leave to amend her complaint a second time. Lane's second amended complaint (hereinafter "the complaint"), restated most of the factual and legal claims of her amended complaint, but added as defendants the Department of Revenue ("the Department"), the Bureau of Accounts (which is within the

Department), and three individuals: Edward J. Collins, Jr., Deputy Commissioner of the Department's Division of Local Services, Harvey Beth, a former Bureau Chief of the Bureau of Accounts, and Roberta Heinzmann, a former management analyst in the Department's Municipal Data Management and Technical Assistance Bureau.

The state defendants filed a supplemental motion to dismiss plaintiff's second amended complaint, and this motion was denied as to the copyright claim and allowed as to the civil rights and pendent trade secrets claims on January 2, 1986. Thus, there remains against the state defendants only the claim of copyright infringement.

The state defendants' motion for summary judgment was denied by this court on April 16, 1987.<sup>1/</sup> One ground for this motion was the state defendants' assertion that the Eleventh Amendment barred the plaintiff from maintaining this action against them for copyright infringement.

#### Statement of Facts

Only an abbreviated recitation of the facts is necessary for purposes of this Court's consideration of the state defendants' motion for certification pursuant to 28 U.S.C. §1292(b).<sup>2/</sup>

---

<sup>1/</sup> The court denied the motion orally during a pretrial conference.

<sup>2/</sup> A detailed statement of Lane's factual claims is set forth in the state defendants' Memorandum in support of Defendants' motion for summary judgment, filed simultaneously with this motion.

Lane is in the business of collecting public financial information, compiling this data onto computer tapes in various formats and then selling these tapes to the public. (See Complaint, ¶ 8).<sup>3/</sup> Sometime in October 1981, Lane sold a tape of financial information from the Massachusetts Schedule A form<sup>4/</sup> to the Bank (¶ 15). According to Lane, the Bank took a printout from Lane's tape and, without her knowledge, gave the printout to persons within the Department of Revenue's Bureau of Accounts. (¶ 15).

Lane also claims that officials or employees of the Department of Revenue had access to another of Lane's works, a format of Schedule A data, entitled "Format 3." (¶¶ 4, 27).

Lane alleges that, during their employment with the Department, Harvey J. Beth, a former Director of the Bureau of Accounts, Edward J. Collins, Jr., a Deputy Commissioner of the Division of Local Services within the Department, and Roberta L. Heinzmann, a former management consultant within the Department, infringed Lane's copyrights in the printout and Format 3 by using these works to create certain works published by the Department, namely, a revised Schedule A form, a

---

<sup>3/</sup> Further references to the complaint will be by paragraph number only.

<sup>4/</sup> The Schedule A is a Massachusetts financial form which every city or town must complete annually and submit to the Department of Revenue's Bureau of Accounts. See G.L.C. 44, §43. The Schedule A details the revenue of each municipality during a fiscal year. Id.

Schedule A data base and a uniform accounting system. (¶¶ 28-29). On the basis of the allegedly unlawful conduct by Beth, Collins and Heinzmann, Lane seeks damages and injunctive relief against the Commonwealth, and damages against the three nominal defendants for copyright infringement.

#### ARGUMENT

I. THE ISSUE OF WHETHER THE ELEVENTH AMENDMENT BARS THE PLAINTIFF'S COPYRIGHT ACTION AGAINST THE STATE DEFENDANTS SHOULD BE CERTIFIED FOR IMMEDIATE APPEAL, PURSUANT TO 28 U.S.C. §1292(b).

A. The Court Should Certify a Question Pursuant to 28 U.S.C. §1292(b) When It Involves a Pivotal and Unsettled Issue of Law and Where an Immediate Appeal May Substantially Accelerate Termination of the Litigation.

The requirements for a United States District Court's certification of a question of law in an interlocutory order to a Court of Appeals are set forth in 28 U.S.C. §1292(b). This statute provides in relevant part:

[w]hen a district judge, in making in a civil action an order not otherwise appealable under this section, shall be of the opinion that such order involves a controlling question of law as to which there is substantial ground for difference of opinion and that an immediate appeal from the order may materially advance the ultimate termination of the litigation, he shall so state in writing in such order. The Court of Appeals which would have jurisdiction of an appeal of such action may thereupon, in its discretion, permit an appeal to be taken from such order.

(Emphasis added). A district court may also amend an earlier order so as to certify a question therein for immediate appeal under §1292(b). See Marresse v. American Academy of Orthopedic Surgeons, 470 U.S. 373, 378 (1985).

This circuit has described a "controlling question of law" as one that is central or pivotal to the case. See In Re Heddendorf, 263 F.2d 887, 888-90 (1st Cir. 1959); McGillicuddy v. Clements, 746 F.2d 765, n. 1 (1st Cir. 1984). Jurisdictional issues have been commonly considered controlling questions of law for purposes of §1292(b), since courts are often reluctant to proceed with a protracted trial unless assured that their findings of jurisdiction would be sustained on appeal. See In Re Heddendorf, supra at 889; cf. Driver v. Helms, 74 F.R.D. 382, 401-02 (D. R.I. 1977), cert. denied, 439 U.S. 1114 (1979) (jurisdictional question certified since reversal of district court's finding of jurisdiction would result in termination of the litigation).

A "substantial ground for a difference of opinion" as to the question of law exists where the decisional law is unsettled on the legal issue involved. See Hester v. City of Lawrence, 602 F.Supp. 1420, 1422 (D. Mass. 1985); cf. Palandjian v. Pahlavi 782 F.2d 313, 314 (1st Cir. 1986), cert. denied, 107 S. Ct. 1974 (1987) (no significant difference of opinion exists as to legal issue where there is no case law to contradict the point of law argued by plaintiff). Thus, a

"split" among federal courts on the particular legal question satisfies this requirement of §1292(b). See Stong v. Bucyrus-Erie Co., 476 F.Supp. 224, 225 (E.D. Wis. 1979); Driver v. Helms, supra at 401.

The final prerequisite to certification under §1292(b) is largely self-explanatory. An appeal from the question of law in an interlocutory order, if successful, should accelerate the ultimate termination of the litigation. See id.; In Re Heddendorf, supra at 889. Institutional efficiency being the major objective of the certification provision, a district court should certify the question if it finds that there will be a net reduction in the duration or costs of the litigation should the challenged order be reversed." Stong v. Bucyrus-Erie, supra, quoting Note, Interlocutory Appeals in the Federal Courts Under 28 U.S.C. §1292(b), 88 Harv. L. Rev. 607, 627 (1975). See also Hester v. City of Lawrence, supra at 1422.

B. This Court Should Certify the Question of Whether the Eleventh Amendment Prohibits a Copyright Action Against the Commonwealth and the Nominal Defendants in Their Official Capacities.

State defendants submit that the issue of whether the Eleventh Amendment to the United States Constitution prohibits an action against the Commonwealth and the nominal defendants under the Copyright Act is "a controlling question of law" concerning which there exists "substantial ground for difference of opinion," and that an "immediate appeal" from

this Court's order on summary judgment "may materially advance the ultimate termination of this litigation." 28 U.S.C. §1292(b).

Initially, if the Court of Appeals decides that the Commonwealth and its officials are immune from suit under the Copyright Act based on the Eleventh Amendment, then this court would have no subject matter jurisdiction to hear Lane's claims against the State or against the nominal defendants in their official capacities. Cf. Scanlon v. Atascadero State Hospital, 473 U.S. 234, 247 (1985) (federal court has no jurisdiction to entertain private actions against states absent language in a statute which makes unmistakably clear congress' intention to subject a state to suit, or the state's waiver of its immunity). Since a decision adverse to the plaintiff on the Eleventh Amendment issue would result in a mandatory dismissal of her claims against the Commonwealth and the nominal defendants in their official capacities, the question of the state defendants' sovereign immunity is a "controlling" one in this case. See In Re Heddendorf, supra at 889 (jurisdictional issues are generally considered controlling questions of law under §1292(b)).

Undoubtedly, there is "substantial ground for difference of opinion" as to whether the Commonwealth and its officials are immune from an action under the Copyright Act, based on the Eleventh Amendment. The Eleventh Amendment to the United



States Constitution prohibits a citizen from instituting an action against a state in federal court.<sup>5/</sup> Hans. v. Louisiana, 134 U.S. 1, 15-17 (1880). The Amendment has been interpreted to bar suits against a state official when "the state is the real substantial party in interest," that is, when "the judgment sought would expend itself on the public treasury. . . , or interfere with the public administration. . . ". Pennhurst State School & Hospital v. Halderman, 465 U.S. 89, 101, n. 11 (1984), quoting Dugan v. Rank, 372 U.S. 609, 620 (1963).

Lane's complaint alleges that the Commonwealth, through the actions of the nominal defendants, taken in their capacities as officials or employees of the Commonwealth, violated her rights under the Copyright Act. (¶¶4, 28-30). Lane seeks damages and injunctive relief directly from the Commonwealth, as a result of the nominal defendants' allegedly unlawful actions. Lane's action under the Copyright Act is therefore, unequivocally, a suit against the Commonwealth. See Pennhurst, supra.

The United State Supreme Court has carved out specific exceptions to the Eleventh Amendment's conferral of immunity on the states. When Congress enacts legislation "to enforce. . . the substantive provisions of the Fourteenth Amendment", it can

---

<sup>5/</sup> The Eleventh Amendment provides:

The Judicial Power of the United States shall not be construed to extend to any suit in law or equity, commenced against one of the United States by citizens of another state, or by citizens or subjects of any foreign state.

abrogate Eleventh Amendment immunity without the consent of the states. Fitzpatrick v. Bitzer, 427 U.S. 445, 456 (1976). See U.S. Const., Amend. XIV, §5. If a state waives its immunity and consents to suit in federal court, either through a state statute or constitutional provision, or by the terms of a federal statute, the Eleventh Amendment does not bar the action. See Edelman v. Jordan, 415 U.S. 651, 673 (1974). However, both congressional abrogation of a state's immunity pursuant to the Fourteenth Amendment and an implied waiver of immunity by a state in a federal statute must be shown by "unequivocal language" in the statute which make "unmistakeably clear" Congress' intention to subject states to suit. Atascadero State Hospital v. Scanlon, supra at 234, 243-46 (1985).

Although the United States Supreme Court has not yet decided the issue, several federal courts have rendered conflicting decisions on whether the Copyright Act can subject a state to suit in federal court. Some United States district courts have held, based on Atascadero, that the Copyright Act does not contain the type of unequivocal statutory language required to overcome Eleventh Amendment immunity and to constitute an implied waiver of the states to suit in federal court. See Woelffer v. Happy States of America, Inc., 626 F.Supp. 499, 504 (N.D. Ill. 1985); BV Engineering v. University of California Los Angeles, 657 F.Supp. 1246, 1250

(C.D. Cal. 1984). Cf. Richard Anderson Photography v. Radford University, 633 F.Supp. 1154, 1159 (W.D. 1986). See also Cardinal Industries, Inc., v. Anderson Parrish Associates, Inc., No. 83-1038-CIU-T-13 (M.D. Fla. 1985), aff'd without opinion, 811 F.2d 609 (11th Cir.), cert. denied, 56 U.S.L.W. 3217 (1987) (copyright action against state university's officials was dismissed on Eleventh Amendment grounds);<sup>6/</sup> Mihalek Corp. v. State of Michigan, 595 F.Supp. 903, 906 (E.D. Mich. 1984) remanded on other grounds, 821 F.2d 327 (6th Cir. 1987). (Copyright Act does not confer jurisdiction on federal court to maintain a copyright action for damages against a state).

Other federal courts, albeit before Atascadero was decided, have concluded that the Copyright Act does constitute an implied waiver of a state's immunity to suit under the Eleventh Amendment. See Mills Music, Inc. v. State of Arizona, 591 F.2d 1278, 1286 (9th Cir. 1979); Johnson v. University of Virginia, 606 F.Supp. 321, 324 (D. Va. 1985). These courts have decided that the language in the Copyright Act which imposes liability upon "any person" or "anyone" who violates the protected rights of a copyright owner is sufficiently broad to include states within the class of defendants subject to copyright

---

<sup>6/</sup> A copy of the district court's unpublished order dismissing this case against the state university officials on the basis of the Eleventh Amendment is attached to this memorandum and marked "Exhibit A."

infringement suits. See Mills Music, supra at 1285 (citing 1909 Act); Johnson, supra at 324 (citing 1976 Act).

Clearly, federal courts disagree on whether a state retains its Eleventh Amendment immunity from suit under the Copyright Act. See, e.g. Woelffer, supra at 504; Mills Music, supra at 1285. Thus, there exists a "substantial ground for difference of opinion" on the issue of whether the Eleventh Amendment bars the plaintiff from maintaining this action for copyright infringement against the state defendants. See Hester v. City of Lawrence, supra at 1422.

Finally, certification of the Eleventh Amendment issue undoubtedly would accelerate the termination of this litigation if the state defendants prevailed on appeal. See In Re Heddendorf, supra. A determination that the Eleventh Amendment prohibits plaintiff's copyright infringement action against the state defendants would divest this court of jurisdiction over these parties. See Atascadero State Hospital, supra at 247. In addition, the three nominal defendants cannot be sued personally for damages since they possess a qualified immunity from liability for their allegedly wrongful actions which did not violate any clearly established rights of the plaintiff under the Copyright Act.<sup>7/</sup> See Harlow v. Fitzgerald, 457 U.S. 800, 818 (1982).

Thus, dismissal of the state defendants would narrow the issues to be tried in this action. Specifically, if the state

---

<sup>7/</sup> The nominal defendants have filed a motion for summary judgment on this ground.

defendants were dismissed, the liability of the Commonwealth and the three nominal defendants would no longer be issues in the case. The court would then need only consider the plaintiff's claims against the Bank. The question of the Bank's liability under the Copyright Act for infringement of the printout would have to be addressed. However, the infringement of Lane's Format 3 would disappear as an issue in the case, since Lane has asserted a claim of infringement in this work only against the state defendants. (¶¶ 14-19; 26-30). Even if the Commonwealth alone was dismissed as a party, the triable issues would be narrowed. The Commonwealth's liability, based on the alleged action of its employees, would no longer be an issue in this action.

The state defendants would be prepared to submit some fifty-nine exhibits and to put on approximately twenty-three witnesses at the trial in this action. Clearly, in narrowing the issues to be tried, dismissal of the state defendants would also significantly reduce the quantum of evidence to be submitted, and the number of witnesses to be called at the trial. Accordingly, a favorable decision for the state defendants by the Court of Appeals would reduce the duration of, and the costs incurred in this litigation. See Stong v. Bucyrus-Erie, supra at 225. Since certification of the Eleventh Amendment issue could materially advance the termination of this action, the state defendants' motion under 28 U.S.C. §1292(b) should be allowed.

CONCLUSION

For the reasons explained in this memorandum, this court should amend its previous order denying summary judgment by certifying for appeal, pursuant to 28 U.S.C. §1292(b), the question whether the Eleventh Amendment prohibits plaintiff from maintaining this action under the Copyright Act against the state defendants. State defendants request that the court certify this question by entering the proposed amended order which is attached to their motion.

Respectfully submitted,

JAMES M. SHANNON  
ATTORNEY GENERAL

Lisa A. Levy

Lisa A. Levy  
Assistant Attorney General  
One Ashburton Place, Room 2019  
Boston, Massachusetts 02108  
617-727-1033

Dated: January 29, 1988

**CERTIFICATE OF SERVICE**

I hereby certify that a true copy of the above document was served upon the attorney of record for each other party by mail (by-hand) on 1/29/88.

Lisa A. Levy

FILED  
mc  
UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA  
TAMPA DIVISION  
59 PM

CARDINAL INDUSTRIES, INC.,  
a corporation,

vs.

Plaintiff,

ANDERSON PARRISH ASSOCIATES,  
INC., et al.,

Defendants.

Case No. 83-1038-C1

PARTIAL SUMMARY JUDGMENT

This cause comes before the Court upon the plaintiff's motion to voluntarily dismiss count V of the complaint and two motions for summary judgment filed by the defendants. The plaintiff's motion is GRANTED and therefore, count V of the complaint is DISMISSED, without prejudice, pursuant to Rule 41(a)(2), Federal Rules of Civil Procedure.

The first motion for summary judgment was filed by the defendants, Anderson Parrish Associates, Inc., Steven D. Lange, and John A. Anderson. In the motion, the defendants argue that count I of the complaint fails because the plaintiff's claim of infringement of copyrighted architectural plans gives the plaintiff "no unique claim on any feature of the structure they detail"; count II is inadequate because the plaintiff has failed to show a likelihood of confusion required under 15 U.S.C.

§1125(a); count III, brought under the theory of common law unfair competition, fails to allege that the defendants were "passing off" services as those of the plaintiff and count IV, claiming common law trademark infringement, fails because the plaintiff has not claimed that the defendants used the plaintiff's "name or marks". Aside from the fact that such attacks on the sufficiency of a complaint are more properly raised in a motion to dismiss, all of the above arguments raised by the defendants are improper restrictive interpretations on the causes of action alleged in the complaint. Additionally, since this Court granted a voluntary dismissal of count V of the complaint, the arguments raised in opposition to that count are moot. Since there certainly remain genuine issues of material facts and the moving defendants are not entitled to a judgment as a matter of law, the motion for summary judgment filed by the defendants, Anderson Parrish Associates, Inc., Steven D. Lange, and John A. Anderson, is DENIED. See Fed R. Civ.P. 56(c).

The other motion for summary judgment was filed by the defendants, Raymond C. King and Michael H. Patterson. Although named in their individual capacities, the defendants contend that they were working within the scope of their official capacities as the Director of Housing and as a member of the Office of the Facility Planning, respectively, at the University of South Florida when the alleged infringement and unfair competition occurred. The defendants therefore conclude that they are



entitled to the protection of the Eleventh Amendment to the States Constitution as well as state sovereign immunity.

The plaintiff opposes King and Patterson's motion by arguing that there remain issues of material fact and further arguing that this Court's Order of March 16, 1985, forecloses the defendants' contentions. The material facts allegedly remaining re to the "ownership of the infringing plans, scope of employment King and Patterson, [and] acts personally undertaken by King and Patterson ...." Opposition to motion for summary judgment at

Contrary to the plaintiff's argument, the Order of March 1984, did not foreclose the claim by King and Patterson that they are protected by the Eleventh Amendment and sovereign immunity. Although that Order denied the defendants' motion to dismiss because the Board of Regents and the Governor of Florida were not indispensable parties, the Order did not amount to a finding that suit against the defendants was not one against the state for purposes of immunity. In fact, that Order affirmatively found that "the interests represented by both the Board and the Governor can be adequately protected by those representing the interests of the defendants King and Patterson." March 16, 1984 Order at 4. That Order further stated that "the Court does not address the question of whether they are immune from suit by private parties under the Eleventh Amendment." Id.

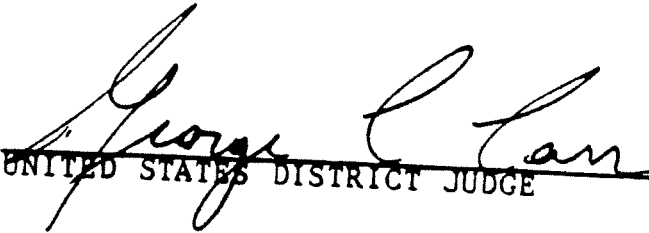
Additionally, resolution of the factual issues raised by the plaintiff is unnecessary because the plaintiff seeks to enjoin

"all Defendants and their agents, servants, employees, transferees, assignees, subsequent purchasers, and all in active participation and concert with Defendants ..." from using the contested architectural plans or erecting buildings substantially identical to the plans. The plaintiff also seeks damages and an Order requiring destruction of the plans. Whether the University of South Florida owns the contested architectural plans is not material considering the fact that an injunction prohibiting further use of those plans or similar designs would undoubtedly have an adverse impact upon the University's future development regardless of who is ultimately deemed "owner" of the plans. A determination of the acts personally undertaken by King and Patterson, or the scope of their authority, is also unnecessary since "a state officer may be said to act ultra vires only when he acts 'without any authority whatever.'" Penhurst State School and Hospital v. Halderman, 104 S.Ct. 900, 908 n. 11 (1984). It is undisputed that both King and Patterson had authority to acquire housing plans for the university. Even if the scope of King and Patterson's authority was material to the determination of this motion for summary judgment, the University's offer to indemnify them not only ratifies their acts, but further supports a finding that their acts were within the scope of their employment. In any event, this Court finds that the University of South Florida is the real and substantial party in interest with regard to the suit filed against King and Patterson. King and Patterson are therefore

afforded the protection offered by the Eleventh Amendment. See Penhurst, 104 S.Ct. at 908 ("Eleventh Amendment bars suit against state officials when 'the state is the real substantial party in interest.'"); see also Fouche v. Jekyll Island State Park Authority, 713 F.2d 1518, 1520 (11th Cir. 1983) (instrumentality of state protected by Eleventh Amendment); Byron v. University of Florida, 403 F.Supp. 49 (N.D. Fla. 1975) (state university is instrumentality of Florida).

The Eleventh Amendment protects against suits against the state or its instrumentalities filed in federal court unless the state has consented to such suit, see eg., Clark v. Barnard, 108 U.S. 436 (1883), or Congress has abrogated Eleventh Amendment immunity. See Fitzpatrick v. Bitker, 427 U.S. 445 (1976). Before a court will subject a state or its instrumentality to suit in a federal court, state consent or congressional abrogation must be "unequivocally expressed". Penhurst, 900 S.Ct. at 907. A review of the statutes and claims involved in this suit convinces this Court that the Eleventh Amendment protection has neither been waived nor abrogated. The defendants' additional claim of protection under state sovereign immunity is unnecessary for a ruling on this motion. See 900 S.Ct. at 907 n. 9 (state sovereign immunity distinct from immunity under the Eleventh Amendment). Since there remain no genuine issues of material facts and the defendants, King and Patterson, are entitled to a judgment as a matter of law, their motion for summary judgment is GRANTED.

DONE AND ORDERED in Chambers at Tampa, Florida, this 6<sup>T</sup>  
day of September, 1985.

  
UNITED STATES DISTRICT JUDGE



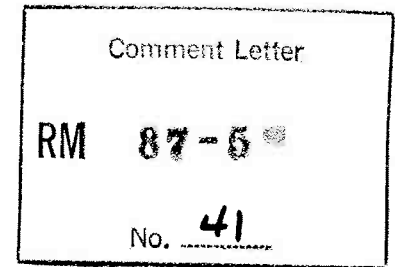
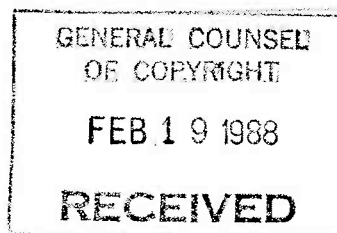
# Information Handling Services

15 Inverness Way East • P.O. Box 1154  
Englewood, Colorado 80150, U.S.A.  
Telephone (303) 790-0600

**Michael J. Timbers**  
President

February 17, 1988

Office of General Counsel  
Copyright Office  
Library of Congress  
Department 100  
Washington, D.C. 20559



Dear Sir,

In response to your request for information regarding the Eleventh Amendment published on November 2, 1987, in the Federal Register, I am pleased to respond on behalf of Information Handling Services.

Your office is investigating the issue of the states' immunity from suit for money damages in copyright infringement cases. The issues are whether the states are immune as a result of the Eleventh Amendment to the Constitution, and whether proprietors of copyrights may enforce their copyright protections against states that make and distribute copies in excess of "fair use."

We take a strong stand on these issues that the states, and particularly state entities such as libraries and universities, must recognize the rights of copyright owners. As a result, state agencies must pay royalties and live within the terms and conditions accepted by the agency when acquiring the copyrighted materials for their own use.

Information Handling Services is one of the largest publishers producing technical, engineering, standards and regulatory information for government and commercial customers. Because IHS is not the primary copyright holder for most of the material it publishes, we must represent not only our own interests, but those of the many other organizations with whom we currently have royalty and distribution agreements.

Our company utilizes industry and public information to create document collections to which we add value by indexing, updating, organizing and distributing. Our indexes, generally substantial paper volumes created entirely by our own proprietary intellectual efforts and our microfilm formats, are copyrighted. These products cover manufacturers' catalogs and technical specifications, military and federal specifications and standards, industry technical standards, and government regulations.

A major portion of the lessors of our document services are state and local governments and libraries. In accordance with the "fair use" concept, we have never placed a limit upon the access of our collections by secondary users at a subscriber's location, and have supported search and printing of specific document pages needed by users through provision of microfilm copy printing equipment.

Since state libraries and universities represent a technical and knowledge resource to state residents, paid for by state tax dollars, residents (and non-residents perhaps as well) should be able to utilize such facilities for their intended purpose.

What we see today, however, is the emergence of intra-state and multi-state library networks that are intended to enable rapid transmission and sharing of resources, but which, in fact, are beginning to use their facilities to copy information for wholesale distribution. To exchange bibliographic and catalog information for searching is one thing, a necessary finding aid in today's complex information world. To allow unfettered copying of intellectual property for redistribution to other locations distant from the source is tantamount to chaos.

For example, the document collections of Information Handling Services are typically on roll microfilm or microfiche. A single 4"x6"x7" mil microfiche typically contains 98 page images in our environment, but can contain hundreds of images if greater reduction ratios are used. (DoD uses 48X, for instance, compared to our 24X.) A single microfiche card can be reproduced for 10 cents. The cost of reproducing an entire set of historical case decisions may be \$63, while the effort that went into collecting, organizing, indexing, enhancing, mastering and maintaining the collection may be hundreds of thousands of dollars on an annual basis. Thus, mere duplication bears minor expense relative to the value of the intellectual effort that has gone into the set.

Office of General Counsel  
February 17, 1988  
Page 3

Much of IHS' work relates to maintaining the currency of the documents in the collection. By allowing states to disregard copyright in a wholesale manner, duplicate sets of the IHS collections could be redistributed to all units in the state university network, for instance. These recipients may or may not receive notice of the monthly or bi-monthly updates that are necessary to assure users of current information. Since IHS bears a certain product liability burden with respect to the content of its services, how would the secondary recipients of unauthorized copies be treated if data were corrected or new data were released? Would IHS be subject to suit for negligence or liability if the wrong data were used by a secondary unauthorized consumer of the information? Such liability does not presently exist because the appropriate instructions to users are clearly presented in the indexes and at the primary sites...but these directions potentially would not pass through to unauthorized users of microfilm sets who do not have the related indexes.

These practical questions present only a few specific problems to the enforcement or authorization of copyright immunity for the states, and their agencies. Authors, publishers, editors, and abstracters aim to spread the use and utility of their intellectual efforts, but they cannot be expected to bear the cost for states who would misappropriate information without fair compensation. Just as "fair use" offers the user some reasonable right, "fair recompense" is the right of the copyright holder. Just as the user can expect reasonable care on the part of the publisher, the publisher of continuing (updated) services must be able to know his customers to fulfill his product responsibility.

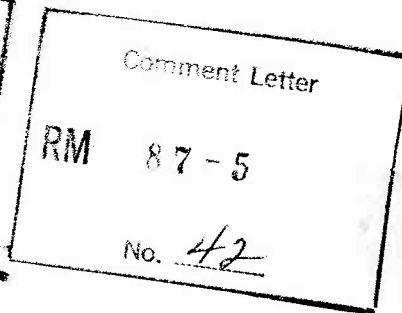
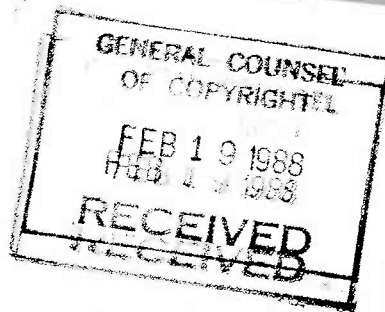
We ask that you propose quick and responsive action to clarify the law such that states, their agencies and instrumentalities are made clearly subject to the copyright provisions of the law.

Sincerely,



Michael J. Timbers  
President

MJT/rlg



COMMENTS OF SESAC, INC. IN RESPONSE TO COPYRIGHT OFFICE  
REQUEST FOR INFORMATION, DOCKET NO. RI 87-5, 52 FEDERAL  
REGISTER 42045, NOVEMBER 2, 1987

John Koshef  
Assistant to the Chairman

Laurie Hughes  
Attorney

Steven R. Gordon  
Attorney



# **COMMENTS OF SESAC, INC. ON COPYRIGHT INFRINGEMENT AND STATES' ELEVENTH AMENDMENT IMMUNITY**

## **I. Introduction**

These Comments are submitted in response to the Copyright Office Request for Information, Docket No. RI 87-5, 52 Federal Register 42045, November 2, 1987.

The first part of these Comments focuses on the issue of the legal interpretation of the Eleventh Amendment immunity in copyright infringement cases, i.e., does the Eleventh Amendment bar suits against States for copyright infringement?

The second part of the Comments focuses on:

- The practical problems relative to the enforcement of copyright against state governments;
- The presence, if any, of unfair copyright or business practices vis a vis state governments with respect to copyright issues.

## **II. Legal Interpretation of the Eleventh Amendment Immunity In Copyright Infringement Cases**

### **A. The Legal Issue and SESAC's Position**

The Eleventh Amendment affords immunity to the States from suits brought against them in federal court, subject to Congress' authority to abrogate such immunity.

The Amendment provides

The Judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United

States by Citizens of another State, or by Citizens or Subjects of any Foreign State.

The Amendment by its terms bars only suits against a State in federal court brought by citizens of another State or of a foreign country. Nevertheless, the Supreme Court has found, inherent in the nature of the Amendment, a general principle that States should not be brought before federal tribunals. This principle bars suits brought by citizens of the defendant State (Hans v. Louisiana, 134 U.S. 1, 10-11 (1890)) or by a foreign government (Principality of Monaco v. Mississippi, 292 U.S. 313, 327-32 (1934)), even though questions of federal law are at issue.

Section 501 of the Copyright Act of 1976, enacted pursuant to the Copyright and Patent Clause of Article 1 of the U.S. Constitution, makes liable "**anyone** who violates any of the exclusive rights of the copyright owner." (Emphasis added).

Since federal courts have exclusive jurisdiction over copyright matters (28 U.S.C. Section 1338 (a)), the question is squarely presented: Does the Eleventh Amendment remove States and their agencies from the set of parties who are subject to suit for copyright infringement?

This has become a serious issue due to a recent spate of federal district court decisions that answer the question affirmatively. BV Engineering v. University of California, Los Angeles, 657 F.Supp 1246 (C.D. Cal. 1987); Richard Anderson Photography v. Radford Univ., 633 F.Supp. 1154 (W.D. Va. 1986); Cardinal Industries v. King, No. 83-1038-CIV-T-13 (M.D. Fla.,

9/6/85), aff'd 811 F.2d 609 (11th Cir. 1987), cert. den. 108 S.Ct. 88 (1987); Woelffer v. Happy States of America, Inc., 626 F.Supp 499 (N.D. Ill 1985). If these cases are correct, States are virtually free to use any copyrighted material they wish without compensating the owner. [1]

All of the above cited cases purport to base their conclusion that the Eleventh Amendment bars copyright actions against the States on the 1985 Supreme Court case of Atascadero State Hospital v. Scanlon, 473 U.S. 234, 105 S.Ct. 3142, 87 L.Ed.2d 171, a case involving the Eleventh Amendment but having nothing to do with copyright law.

It is the position of SESAC that these cases are wrongly decided, and that Congress has validly abrogated the Eleventh Amendment with respect to actions arising under the copyright law. More specifically, SESAC contends (i) that these cases are erroneous as they misconstrue Atascadero, and (ii) that to enforce these decisions would result in violating the due process clause of the Fourteenth Amendment, inasmuch as copyright owners would lose a legally protected property right without being afforded due process, i.e., the right to sue for money damages for copyright infringement.

#### B. The Law Prior to Atascadero

Prior to Atascadero just four cases addressed the issue of whether Congress abrogated the Eleventh Amendment with respect to copyright infringement suits. Mills Music, Inc. v. Arizona, 591

F.2d 1278 (9th Cir. 1979) and Johnson v. Univ. of Virginia, 60 F.Supp 321 (W.D. Va. 1985) held that it did and that therefor States were amenable to private copyright infringement actions. The action in Mills was brought under the Copyright Act of 1909 which subjected to liability "any person" who infringed another's copyright. The Mills court found that this broad and sweeping language authorized suit against the States for copyright infringement and that it was the Copyright and Patent Clause of the Constitution which granted Congress the power to so abrogate the States' immunity. After adopting this reasoning, the Johnson court simply went on to find the definition in the 1976 Act of infringer as "anyone who violates any of the exclusive rights of the copyright owner" more inclusive than the "any person" language of the 1909 Act. Thus, the State could be compelled to pay damages for infringement of plaintiff's copyright.

One of the cases finding that the Eleventh Amendment had not been abrogated in copyright cases, Wihtol v. Crow, 309 F.2d 777 (8th Cir. 1962) simply held without discussion that the Eleventh Amendment barred an action against a local school district, as an instrumentality of the State. In Mihalek Corp. v. Michigan, 595 F.Supp. 903 (E.D. Mich. 1984), aff'd 814 F.2d 290 (6th Cir.), cert. den., 108 S.Ct. 503 (1987), the court found that the congressionally created rights in the Copyright Act must yield to the Eleventh Amendment. The Mihalek court did not, however, address the issue of whether Congress was empowered to abrogate the Eleventh Amendment.

### C. The Atascadero Case

A man suffering from certain physical handicaps brought suit against a state hospital and the California Department of Mental Health in federal district court alleging that the hospital had denied him employment as a graduate student assistant recreation therapist solely because of his physical handicaps, in violation of Section 504 of the Rehabilitation Act of 1973 (23 U.S.C. Section 794). The district court granted the defendants' motion to dismiss the complaint on the ground that the action was barred by the Eleventh Amendment. The Court of Appeals reversed holding that the Eleventh Amendment did not bar the action since a state's consent to suit in federal court could be inferred from its participation in programs funded by the Rehabilitation Act (735 F.2d 359).

On certiorari, the Supreme Court, by a five to four decision, reversed. In an Opinion by Justice Powell, it was held that the suit was proscribed by the Eleventh Amendment since the provisions of the Rehabilitation Act fell short of expressing what was now said to be the requisite unequivocal congressional intent to abrogate the States' Eleventh Amendment immunity.

### D. Congress has Authority to Abrogate the Eleventh Amendment

Richard Anderson Photography v. Radford Univ., supra, one of the recent cases that found that the Copyright Act did not abrogate the Eleventh Amendment immunity of the States, found

that Atascadero held that Congress can only abrogate the Eleventh Amendment when enacting legislation pursuant to the Fourteenth Amendment. Atascadero, however, did **not** so find.

Writing for the Court in Atascadero, Justice Powell stated that "the Eleventh Amendment is 'necessarily limited by the enforcement provisions of Section 5 of the Fourteenth Amendment, that is, by Congress' power 'to enforce, by appropriate legislation, the substantive provisions of the Fourteenth Amendment.'" Id., 473 U.S. at 238. While Justice Powell's language can be read to mean that abrogation is impermissible apart from the Fourteenth Amendment, it certainly does not compel that conclusion. Moreover, since the statute under review in Atascadero was enacted pursuant to the Fourteenth Amendment, the Court's language, to the extent that it appears to prohibit abrogation in all other contexts, is merely dicta.

Furthermore, the Supreme Court's decision in Parden v. Terminal Railway, 377 U.S. 184 (1964) further demonstrates that Congress' power to abrogate States' immunity is not limited to the Fourteenth Amendment. In this leading abrogation case, the Court ruled that Congress had validly abrogated Eleventh Amendment immunity in the Federal Employers' Liability Act (45 U.S.C. Sections 51-60 (1982)). That statute was passed pursuant to Congress' Article I power to regulate interstate commerce. And less than six months after Atascadero, Justice Rehnquist's restatement of the test for congressional abrogation omitted any reference to the Fourteenth Amendment, stating only that Congress

may act "pursuant to a valid exercise of power." Green v. Mansour, 106 S.Ct. 423, 425-26 (1985).

Just as the Commerce Clause empowers Congress to create causes of action against the States, so too does the Copyright and Patent Clause authorize such legislation. Congress is specifically empowered in Article I, Section 8, clause 8, to secure "for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries." This language vests in Congress the exclusive power to regulate the copyright and patent fields.[2] The Supreme Court has recognized that,

When Congress grants an exclusive right or monopoly, its effects are pervasive, no citizen or **State** may escape its reach.

Goldstein v. California, 412 U.S. 546, 560, 93 S.Ct. 2303, 37 L.Ed. 163 (1973). (Emphasis supplied). Thus, through ratification of the Copyright and Patent Clause, the States left Congress free to subject them to liability for copyright infringement.

#### E. The Copyright Act Abrogates the Eleventh Amendment

##### 1. Congress' Intent

BV Engineering v. University of California, Los Angeles, supra, is another recent case finding that the Copyright Act does not abrogate the Eleventh Amendment. Unlike Radford, however, the basis for the court's decision did not concern the

source of Congressional power to abrogate the Eleventh Amendment. Rather, the BV court focused on whether Congress had provided in the Copyright Act a sufficiently clear statement of its intent to abrogate the States' immunity. The court found that it had not. BV arrived at this conclusion based on the following language from Atascadero,

[we] affirm that Congress may abrogate the States' constitutionally secured immunity from suit in federal court only by making its intention unmistakably clear **in the language of the statute**. The fundamental nature of the interests implicated by the Eleventh Amendment dictates this conclusion. (Emphasis added)

BV, 657 F.Supp at 1249, citing Atascadero. The BV court found that under this language the Copyright Act failed to abrogate the Eleventh Amendment since the Act does not specifically mention that copyright owners can sue **States**. In support of this conclusion the BV court stated that the Copyright Act, Section 501 (a), "merely says that: '(a) Anyone who violates any of the exclusive rights of the copyright owner ... is an infringer of the copyright.'" Id. at 1250.

The BV case was wrongly decided as it completely failed to consider provisions of the Copyright Act in which Congress **did** make its intention to abrogate the Eleventh Amendment "unmistakably clear." In at least seven sections of the Act, Congress' intent to include States in the class of infringers is expressly stated.

The statutory scheme of the Copyright Act, is first to grant exclusive rights, 17 U.S.C. sect. 106, then to place limits on



those rights and to except certain entities and uses from infringement claims under specific circumstances, 17 U.S.C. sect. 107 et seq., and lastly to provide that anyone who violates an unqualified exclusive right is an infringer, 17 U.S.C. sect. 501. Congress demonstrated its clear intention to include States among potential infringers in three different ways. First, Congress made narrow, detailed exemptions for agencies so closely associated with states without distinguishing between state and non-state agencies which engage in similar functions, that it would be irrational to conclude that it intended to immunize states. Second, Congress made explicit references to governmental bodies in carving out exemptions and only a tortured construction would exclude states from the parameters of those bodies. Finally, in one specific instance, Congress specifically excluded states themselves from liability while maintaining liability for state educational institutions.

The fair use provision of the Copyright Act, 17 U.S.C. Sec. 107, is an example of Congressional intent to subject states to liability for copyright infringement. Under Section 107, the use of a copyrighted work for certain purposes, may be permissible after consideration of four factors, one of which is whether the use is for commercial or nonprofit educational purposes. In the course of implementing their public education programs, it goes without saying that states are heavy users of copyrighted works in teaching and classroom activities. But, Congress did not distinguish between state and other nonprofit educational

institutions. It follows therefore that, under any reasonable construction of the Copyright Act, Congress intended to include states in the class of users who would be infringers absent the fair use exemption pertaining to teaching and classroom activities.

Another example of Congressional intent to include states as potential infringers by making narrow exemptions for them, is 17 U.S.C. Sec. 108 which allows reproduction of copyrighted works by libraries and archives. Following its statutory scheme, Congress granted copyright owners the exclusive right to make reproductions of their works, but then limited that exclusive right so that library and archive reproduction would not be an infringement under certain circumstances. A large number of libraries and archives in the United States are maintained by states or state agencies. Congress could have had no intent other than to include state libraries and archives within the exemption provided for by Section 108. The expression of that intent is inconsistent with a Congressional intent to relieve States from any liability for copyright infringement.

Section 110(1), 17 U.S.C. sect. 110(1), like Sections 107 and 108 illustrates Congress's concern with the use of copyrighted materials in educational activities. Under Section 110(1), it is not an infringement for teachers and students in a nonprofit educational institution to display or to perform a work in the course of face-to-face teaching activities. Again, no distinction is made between state and non-state institutions

indicating a clear Congressional intention that state institutions would be liable for section 110(1) activities, but for the exemption there provided.

By placing detailed limits on Section 106's exclusive rights for the activities of a class of copyright users which is largely comprised of state agencies and by providing for specific exemptions for employees working in the course of their employment, Congress's intent that States would be infringers if they made or distributed copies or performed or displayed a work outside of the scope of these sections was overwhelmingly indicated in the language of the statute itself.

Congress also demonstrated its intent to include states in the class of users who, without specific exception, would be liable for copyright infringement, by exempting governmental bodies from certain kinds of infringement claims. For example, under Section 110(2)(A) of the Copyright Act, the transmission of a performance or display of a work is not an infringement if it is part of "the systematic instructional activities of a governmental body or a nonprofit educational institution; and... (C) the transmission is made primarily for (i) reception in classrooms..., or (iii) reception by officers or employees of governmental bodies as a part of their official duties or employment." 17 U.S.C. sect. 110(2)(A) et seq. This section makes no distinction among federal, state, county, municipal, etc. governmental bodies and surely includes state governmental bodies. The inclusion of them in this exemption from liability

for copyright infringement is inconsistent with any claim that Congress did not expressly intend that states would otherwise be subject to such liability.

Congressional intent to subject states to all sanctions provided by the copyright law is further shown in Section 110(6) of the Copyright Act which provides that the "performance of a nondramatic musical work by a governmental body or a nonprofit agricultural or horticultural organization in the course of an annual agricultural or horticultural fair or exhibition conducted by such body or organization" is not an infringement of copyright. Several conclusions are evident from this section. First, the performance of nondramatic musical works by a governmental body in other circumstances would be an infringement. Second, any other use of a copyrighted work by a governmental body or nonprofit agricultural or horticultural organization at an agricultural or horticultural fair or exhibition would be an infringement. Third, the performance of a nondramatic musical work by a governmental body or nonprofit agricultural or horticultural organization at an agricultural or horticultural fair or exhibition not conducted by the governmental body would be an infringement.

Another example of Congressional exemption of governmental bodies involves secondary transmissions or primary transmissions embodying a performance or display of a work by governmental bodies. See 17 U.S.C. Sec. 111. Section 111(2) allows the secondary transmission of a primary transmission of copyrighted

works under the same conditions and for the same purposes as the Section 110(2) performances or displays (systematic instructional activities of a governmental body). In addition, Congress exempted the secondary transmission of a primary transmission by a governmental body where there is no commercial purpose or charge to the recipients, except charges necessary to cover costs. 17 U.S.C. sect. 111(a)(4). SESAC submits that these provisions show a clear Congressional intent that state governmental bodies would be liable for secondary transmissions under all other circumstances.

The governmental body exemption is also contained in the provision for ephemeral recordings. 17 U.S.C. Sec. 112. Under Section 112, it is not an infringement for governmental bodies and nonprofit educational broadcasters to make a limited number of copies of copyrighted works and to use ephemeral recordings for transmission. Like Section 110(6), Section 112(b) exempts governmental bodies and educational broadcasters from both direct and vicarious liability.

Finally, in 17 U.S.C. Sec. 118, Congress granted public broadcasters a compulsory license to perform and reproduce copyrighted works. Congress, did not there distinguish between public broadcasters which are private nonprofit corporations and state owned and operated public broadcasters such as the Mississippi Educational Television System. Section 118(d)(3) allows all public broadcasters to perform or display works in accordance with Section 110 and to make reproductions for use

during a limited time by a governmental body or nonprofit institution of a transmission program simultaneously with its transmission. Further, this section provides that the public broadcasting entity will not be liable for infringement if it advised the governmental body of its duty to destroy the program and if the governmental body fails to so destroy. This section concludes by stating that if the governmental body fails to destroy the programs, then **"it (the body) shall be deemed to have infringed."** (Emphasis added). This language is a clear, unequivocal expression of Congressional intent to hold yet another kind of state entity liable for copyright infringement.

Similar Congressional intent is shown in the manufacturing clause of the Copyright Act, 17 U.S.C. Sec. 601 et. seq. Both Section 601 and Section 602 exempt states for uses other than educational uses from the manufacturing clause importation prohibitions. Although the manufacturing clause, by its own terms, expired June 30, 1986, 17 U.S.C. sect. 601(a), it is nonetheless relevant because it is Congress's most direct reference to state liability under the Copyright Act. Section 601 exempts states from infringement liability for importing English language works manufactured outside the United States; Section 602 applies to works acquired outside the United States. It is significant that Congress had distinguished between state educational and noneducational uses and declared that when a state, for educational purposes, imported works covered by the manufacturing clause, it would have been an infringer. But when

a state, for other purposes imported a work covered by the manufacturing clause, it would not have been an infringer.

By fashioning three different types of state exemptions from copyright infringement, and employing them in numerous sections of the Copyright Act, Congress indicated its overwhelming intent in the language of the statute itself, that states would not be immune from copyright infringement liability.

## 2. Due Process

Even if it were reasonably possible, which we do not think it is, to construe Atascadero as requiring an expression of certain magic words, such as "the Eleventh Amendment is hereby abrogated for the purposes of this statute," the application of this interpretation of Atascadero to the Copyright Act would violate the due process rights of copyright owners.

With respect to the law under review in Atascadero - the Rehabilitation Act of 1973 - federal jurisdiction is not exclusive. Thus, an aggrieved party could sue a State in state court. Atascadero, therefore, merely stripped away a **forum** - not a **right**. Suits for copyright infringement, however, can only be heard in federal court. 28 U.S.C. Section 1338(a) states:

The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents, copyrights and trademarks. Such jurisdiction shall be **exclusive** of the courts of the state in patent and copyright cases."

(emphasis added). Thus, if the Copyright did not abrogate the Eleventh Amendment, copyright owners would completely lose their

right to sue a State for money damages for copyright infringement.

The Fourteenth Amendment prohibits the loss of property without due process of law. Copyright is a property right granted by Congress to creators pursuant to Congress' Article 1 powers. Depriving copyright owners of the right to sue States for money damages when States take their property without compensation would strip them of their due process protection guaranteed under the Fourteenth Amendment.

F. Notwithstanding Congressional Intent, the States have Waived their Eleventh Amendment Immunity for the Purposes of Copyright Infringement Actions

It is well established that States may waive their immunity by participating in a federally regulated activity. See Parden v. Terminal Ry. Of Alabama State Docks Dept., 377 U.S. 184 (1964). In Parden, employees of a state-owned railroad sued Alabama under the Federal Employer's Liability Act, 45 U.S.C. sect. 51, 60 (1982). The Court held that the State's operation of a railroad in interstate commerce, an activity regulated by Congress was beyond the boundaries of traditional state functions. Alabama's engaging in the federally regulated activity operated as a waiver of immunity. Parden, 377 U.S. at 196. By contrast, in such cases as Atascadero State Hospital v. Scanlon, supra and Employees v. Dept. Of Public Health and Welfare, 411 U.S. 279 (1973), the state action involved one of its most traditional functions, accepting, administering and



distributing benefits from federal programs. Bankruptcy is another area where a state's participation in a federally regulated activity may constitute waiver. See Connecticut Performing Arts Foundation, Inc. v. Brown, 47 B.R. 911 (D. Conn. 1985). In Connecticut, the state made a claim against the estate of a debtor in bankruptcy and in areas held that by "engaging in an activity that is subject to the bankruptcy power, it is proper for Congress to find that the state has waived its immunity." Id. at 916.

Richard Anderson Photography v. Radford Univ, supra, held that a state's use of copyrighted materials was not a waiver of its Eleventh Amendment immunity. Under the Radford reasoning, for waiver to exist, the State must have had a choice to act or not to act by a freely made decision to participate in a federally regulated activity. The court noted that that decision usually involved state participation in federally funded programs whereby acceptance of the benefit was conditioned upon waiver of immunity. The court found however that a State's use of copyrighted materials was not a decision which the state was able to make freely. Id. at 1159.

SESAC submits that Radford's conclusion is just plain wrong. Virginia did have a choice to use or not to use copyrighted materials. Simply because a state decides that copyrighted materials are better suited to its needs for one reason or another does not mean that the state does not have a choice to use them. States remain free to create their own materials or to

commission materials, just as states remain free not to participate in federal benefits programs and to create or fashion their own programs suited to their individual needs. States could therefore reject the use of copyrighted materials. By freely choosing to use copyrighted materials and thus entering an activity regulated by Congress, states have freely chosen to waive immunity.

The Radford court recognized that in Parden, 377 U.S. 184, another indication of waiver existed in Alabama's decision to operate a railroad (not a traditional state function), and the Anderson court even attempted to decide the case under that theory. But, Radford's conclusion, that a State's use of copyrighted materials is a traditional state function is in error. A State's exercises its traditional state functions when it participates in or administers federally funded benefits programs or acts pursuant to its police power or taxing authority. In Radford, however, the state university did not act pursuant to its traditional state functions, but rather, by creating a marketing brochure, engaged in public relations. The state itself recognized that this was not a traditional state function because it saw the need to solicit the services of an outside photographer, rather than to create the work itself. The Anderson court's conclusion that the mere use of property by a state agency is "per force" engagement in a traditional state function is overreaching. The performance or recording of music, the printing of books, the programming of computer software are

not traditional state functions, but activities normally performed by the private sector. The ultimate failure of the Radford rationale is its complete failure to recognize that copyright is not a federally funded benefit, nor is the use of works protected by it a traditional state function.

Radford asserts that state university involve daily decision in many areas regulated by Congress, including copyright, that this is a basic and fundamental state function, and, as such, a decision to use copyrighted materials does not waive state immunity. 633 F.Supp. at 1160. The fallacy of this premise is shown by the following analogy.

The enactment and dissemination of laws of one kind or another is clearly a traditional state function as to which a state does not have a choice. (Of course a state has a choice in deciding just what laws will be enacted and how they will be worded, but it would be just unrealistic to say that a state could decide to enact no laws.) To disseminate the laws, it is necessary to print them. However, in order to print the laws, raw materials and labor are necessary. No court would rule that because the printing and dissemination of laws is a traditional state function, the State does not have to pay for the ink, the paper, the printing and the labor necessary to print the laws. Yet, this is what Radford would suggest. According to Radford, since the operation of a university is a traditional state function and since to operate a university states must use copyrighted materials, that use itself is also a state function

and the State does not have to pay for the use of those materials. Taken to its ultimate conclusion, Radford would require that when states have need of a textbook, for example, the State could purchase one copy of the textbook and copy as many additional copies as it chose. While the State would pay for paper, printing and binding, it would not pay for the use of the copyrighted materials which constitute the very essence of the finished product!

In addition to engaging in a federally regulated activity outside the scope of traditional state functions, states have waived their immunity in other ways. First, in purchasing mass quantities of copyrighted textbooks and other materials, states have recognized the application of the copyright law to their activities. States have also availed themselves of copyright protection by complying with the registration, deposit and notice requirements of the copyright act. A State that has sought and received these benefits cannot then cloak itself in immunity.

Similarly, a State's having brought a copyright infringement suit should act as a waiver of immunity. This rationale comports with Radford's thesis that a State must have a choice to act or not to act. If a State chooses to act (i.e., in Radford's view, to receive the benefits), then it has consented to the removal of its immunity.

Significantly, at least eight state attorneys general have concluded that States are not immune from infringement liability. See 107 Op. Atty' Gen. Alas. (1983), 366 Inf. Op. Att'y Gen.

Alas. 404 (1982); 187 Slip Op. Att'y Gen. Ariz. 106 (1986); 65 Op. Att'y Gen. Cal. 106 (1982); 64 Op. Att'y Gen. Cal 186 (1981); 82 Op. Att'y Gen. Fla. 148 (1982); Slip Op. Att'y Gen. Kan. 202 (1981); 84 Slip Op. Att'y Gen. La. 436 (1985); 82 Slip. Op. Att'y Gen. La 662 (1982); Slip Op. Att'y Gen. S.C. (1977); 82 Slip Op. Att'y Gen. Ut. 03 (1982).

Finally, States have traditionally recognized the rights of copyright owners by entering into licenses, paying royalties and otherwise compensating copyright owners. Clearly by voluntarily entering into and periodically renewing such agreements, the states have intended to and actually waived their Eleventh Amendment immunity.

G. If the States Were Immune from Copyright Infringement Liability the Economic Consequences to Copyright Owners would be Devastating

If, the States adopted the view that the Eleventh Amendment bars actions for money damages for copyright infringement, the negative financial effects on copyright owners would be disastrous. A variety of copyrighted materials - music, motion pictures, textbooks, literature, dramatic plays, computer software, visual art, etc. are used by State universities and colleges, as well as other state agencies, throughout the country. Compensation for such use represents an important source of revenues for a diverse group of copyright owners.

Without the legal capability of suing for money damages for copyright infringement, the States would be in a strong position

to negotiate unreasonably low fees for such use or not to pay at all. That a palintiff may avail himself of injunctive relief against an infringing State or its agencies in no way constitutes adequate protection of his or her copyrights. Many copyrighted materials obtain only brief periods of commercial success. For example, a hit song may go to number one and then drop off the charts within weeks or even days. A record company that secured an order preventing a state agency or college from further unauthorized exploitation of such song would have little to celebrate if it had already dropped from the charts. The revenues that it would have otherwise received, and shared with the recording artist and composer pursuant to the company's agreements with those creators, would be gone forever.

#### H. Recommendation

Even though the Copyright Act clearly abrogates the States' immunity from copyright infringement actions, Congress should amend the Copyright Act to make this even more explicit in order eradicate the confusion caused by cases such as BV and Radford and to avoid any further erroneous decisions.

### III. PRACTICAL PROBLEMS ASSOCIATED WITH STATE USES OF COPYRIGHTS

In accordance with the Copyright Office's request for information on the practical problems associated with state use of copyright, SESAC has the following comments. Since the

enactment of the Copyright Act of 1976, 17 U.S.C., SESAC has licensed the public performance of copyrighted musical works at state colleges and universities, stadia, auditoriums and other venues. The licenses grant a non-exclusive right to publicly perform music in the SESAC repertory, set forth a fee structure, limit the grant to specific facilities and performances and specify other times. SESAC licenses hundreds of State universities, colleges, stadia and other venues in all fifty states. In nearly a decade of licensing under the 1976 Copyright Act, **never has any state agency raised the claim Eleventh Amendment immunity** as a reason for not entering a SESAC performance license.

#### Footnotes

1. The Supreme Court has ruled that the Eleventh Amendment does not bar suits to prohibit future illegal conduct by state officials (Ex parte Young, 209 U.S. 123, 159-60 (1908)), and therefore it may be argued that copyright owners may seek injunctive relief to prevent future acts of copyright infringement. However, in many instances that would be tantamount to closing the barn door after the horse has run off since the state may have already completed its use of the copyrighted materials. For further discussion of this point, see Section II H of these Comments

2. This is not to say that Congress **must** act in such a way as to preclude any state involvement in these fields. For example, the Copyright Act of 1909 did not abolish common law copyright, as to which the law of the state involved had to be examined. However, the Copyright Act of 1976 did abolish common law copyright and pursuant to established authority Congress has preempted the entire copyright field.

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA  
OFFICE OF THE GENERAL COUNSEL



James E. Holst  
GENERAL COUNSEL

GENERAL COUNSEL  
OF COPYRIGHT

MAR 4 1988

RECEIVED

February 26, 1988

Comment Letter

RM

87-5

No. 43

Susan Amateau  
Melvin W. Beal  
Joanna M. Beam  
Eric K. Behrens  
A. Jan Behrsin  
Susan Benjamin  
David M. Birnbaum  
Marcia J. Canning  
Claudia Cate  
Martha M. Chase  
David A. Dorinson  
Shelley W. Drake  
Karl E. Droese, Jr.  
Merel P. Glaubiger  
Milton H. Gordon  
Karen F. Hazel  
Christine Helwick  
Lloyd C. Lee  
Claude F. Kolm  
John E. Lundberg  
Mary E. MacDonald  
George L. Marchand  
Stephen P. Morrell  
Gary Morrison  
James N. Odle  
Edward M. Opton, Jr.  
Romulus B. Portwood  
Andrea M. Resnick  
Philip E. Spiekerman  
Fred Takemiya  
Susan M. Thomas  
Susan H. von Seeburg  
Allen B. Wagner  
Glenn R. Woods

AIR MAIL

Ms. Schrader  
Office of the General Counsel  
Copyright Office  
Library of Congress  
Department 100  
Washington, D.C. 20559

Re: U.S. Copyright Act and Eleventh Amendment to the  
Constitution

Dear Ms. Schrader:

As we discussed on February 25, 1988, enclosed are ten (10) copies of the brief filed on behalf of The Regents of the University of California in the B.V. Engineering appeal. It represents the comments we tender for the consideration your office has undertaken, as expressed in 52 Federal Register 42045-46.

If I may supply further information or discussion, please call.

Sincerely,

*Allen B. Wagner*  
Allen B. Wagner  
University Counsel

nfm

Enc. 10



87-  
No. 87-5920

43

IN THE UNITED STATES COURT OF APPEALS  
FOR THE NINTH CIRCUIT

BV ENGINEERING

Plaintiff/Appellant

-against-

UNIVERSITY OF CALIFORNIA, LOS ANGELES  
(THE REGENTS OF THE UNIVERSITY OF CALIFORNIA)

Defendant/Appellee

ON APPEAL FROM THE UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA

BRIEF FOR DEFENDANT/APPELLEE UNIVERSITY OF CALIFORNIA,  
LOS ANGELES (THE REGENTS OF THE UNIVERSITY OF CALIFORNIA)

JAMES E. HOLST  
GEORGE L. MARCHAND  
ALLEN B. WAGNER  
590 University Hall  
University of California  
Berkeley, California 94720  
Telephone (415) 642-2822

Attorneys for Defendant/  
Appellee University of  
California (The Regents of  
the University of California)

TABLE OF CONTENTS

1	STATEMENT OF THE ISSUE . . . . .	
2	STATEMENT OF JURISDICTION . . . . .	
3	STATEMENT OF THE CASE . . . . .	
4	ARGUMENT . . . . .	
5	I. PRELIMINARY STATEMENT - FEDERALISM AND STATE SOVEREIGN	
6	IMMUNITY . . . . .	
7	II. CALIFORNIA HAS NOT CONSENTED TO FEDERAL JURISDICTION OR	
8	WAIVED ITS SOVEREIGN IMMUNITY . . . . .	
9	III. STATE SOVEREIGN IMMUNITY LIMITS FEDERAL JUDICIAL POWER	
10	UNDER ARTICLE III PRECLUDING CONGRESSIONAL ABROGATION	
11	UNDER ARTICLE I . . . . .	
12	A. State Sovereign Immunity and the Eleventh Amendment	
13	B. <u>McVey</u> and <u>Union Oil II</u> are Inconsistent With the	
14	Supreme Court's Federalism Jurisprudence. . . . .	
15	C. Abrogation is Unnecessary to Assure Supremacy of	
16	Federal Substantive Law . . . . .	1
17	IV. THE 1976 COPYRIGHT ACT DOES NOT FULFILL THE <u>ATASCADERO-</u>	
18	<u>WELCH</u> TEST FOR CONGRESSIONAL ABROGATION OF STATE	
19	SOVEREIGN IMMUNITY . . . . .	20
20	V. CONCLUSION . . . . .	25
21	STATEMENT OF RELATED CASES . . . . .	27

# TABLE OF AUTHORITIES

## CASES

1		
2		
3		
4		
5	<u>Almond Hill School v. U.S. Dept. of Agriculture</u>	
6	(9th Cir. 1985) 768 F.2d 1030	3, 5-7, 9, 12, 13, 15, 16, 21, 24
7	<u>Atascadero State Hospital v. Scanlon</u>	
8	(1985) 473 U.S. 234	
9	[87. L.Ed.2d 171]	
10	<u>Charley's Taxi Radio Dispatch v. SIDA of Hawaii</u>	
11	(9th Cir. 1987) 810 F.2d 869	1,
12	<u>Clark v. Barnard</u>	
13	(1883) 108 U.S. 436 [27 L.Ed. 780]	
14	<u>Collins v. State of Alaska</u>	
15	(9th Cir. 1987) 823 F.2d 329	
16	<u>Doe by Gonzales v. Maher</u>	
17	(9th Cir. 1986) 793 F.2d 1470	
18	<u>Edelman v. Jordan</u>	
19	(1974) 415 U.S. 651 [39 L.Ed.2d 662]	7,
20	<u>Employees v. Missouri Public Health Dept.</u>	
21	(1973) 411 U.S. 279 [36 L.Ed.2d 251]	9, 12, 14, 2
22	<u>Ex Parte Young</u>	
23	(1908) 209 U.S. 123 [52 L.Ed. 714]	6, 18
24	<u>Fitzpatrick v. Bitzer</u>	
25	(1976) 427 U.S. 445 [49 L.Ed.2d 614]	.6, 15
26	<u>Green v. Mansour</u>	
	(1985) 474 U.S. 64 [88 L.Ed.2d 371]	5, 19
	<u>Hans v. Louisiana</u>	
	(1890) 134 U.S. 1 [33 L.Ed. 842]	5, 6, 13
	<u>Marbury v. Madison</u>	
	(1803) 1 Cranch 136, 177 [2 L.Ed.60]	15
	<u>Matter of McVey Trucking, Inc.</u>	
	(7th Cir. 1987) 812 F.2d 311	10, 14-16

1	<u>Mills Music, Inc. v. State of Ariz.</u>	
2	(9th Cir. 1979) 591 F.2d 1278)	10, 20-
3	<u>Muskopf v. Corning Hospital Dist.</u>	
4	(1961) 55 Cal.2d 211	
5	<u>Oneida v. Oneida Indian Nation</u>	
6	(1985) 470 U.S. 226 [84 L.Ed.2d 169]	
7	<u>Papasan v. Allain</u>	
8	(1986) 478 U.S.	[92 L.Ed.2d 209]
9	<u>Parden v. Terminal Railway of Alabama</u>	
10	(1964) 377 U.S. 184 [12 L.Ed.2d 233]	7
11	<u>Price v. State of Hawaii</u>	
12	(9th Cir. 1985) 764 F.2d 623	
13	<u>United States v. Union Gas Company</u>	
14	(3rd Cir. Nov. 3, 1987) Case No. 85-1177	14,
15	<u>Welch v. Dept. of Highways &amp; Public Transp.</u>	
16	(1987) 483 U.S.	
17	[97 L.Ed.2d 389]	5-7, 9, 10, 12, 13, 19-
18	<u>Woelfer v. Happy States of America, Inc.</u>	

CALIFORNIA STATUTES

Government Code section 945

FEDERAL STATUTES

28 United States Code  
 section 1291  
 section 1498

UNITED STATES CONSTITUTION

Article III

MISCELLANEOUS

Adler, We Hold These Truths (1987)  
 1909 Copyright Act

passim

1976 Copyright Act . . . . . 8, 20,

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

STATEMENT OF THE ISSUE

Should the district court's decision, sustaining the defendant's motion for summary judgment and dismissing the case be reversed?<sup>1/</sup>

STATEMENT OF JURISDICTION

The Regents of the University of California agrees with BV Engineering that the district court's decision was a final appealable order and that the court has jurisdiction pursuant to 28 U.S.C. section 1291.

STATEMENT OF THE CASE

Defendant The Regents of the University of California ("University") disputes plaintiff BV Engineering's ("BVE") conclusion that the copies of software and manuals made by the University were "unauthorized and infringed" BVE's copyrights. The University contends its reproductions were authorized, constituted fair use, and caused no damage to BVE.

In early 1986, the University's Los Angeles campus, Physics Department, purchased seven software items from BVE for a

---

<sup>1/</sup> The court's review of this issue is de novo. (Collins v. State of Alaska (9th Cir. 1987) 823 F.2d 329, 331; Charley's Taxi Radio Dispatch v. SIDA of Hawaii (9th Cir. 1987) 810 F.2d 369, 373.)

1 total cost of \$597.09, for use in its electronic design and  
2 shop. At that time, BVE's software catalog and registration  
3 expressly permitted a purchaser's copying "for your personal  
4 or back-up purposes." The University made three copies of the  
5 software for back-up and department use, and ten copies of the  
6 manuals to be read by the electronic shop personnel. Later, a  
7 copy of the software and manuals were loaned to a physics  
8 professor and to his student assistant to be evaluated in  
9 connection with a new laboratory course of instruction they were  
10 developing. (DN<sup>2</sup>/ 13, 15 and 16.)  
11

12  
13 In June 1986, when BVE's counsel characterized the  
14 University's activity as unauthorized, the University's reply:  
15 expressed a belief its conduct was authorized; apologized for the  
16 apparent "innocent error"; offered to destroy or ship the accused  
17 copies to BVE; and, gave "assurance that no further copies will be  
18 made." (DN 13.) BVE made no further communication until its  
19 August 1, 1986, service of the complaint filed in this case. The  
20 litigation proceeded to cross-motions for summary judgment, after  
21 the University refused to pay BVE's \$15,000 settlement demand.  
22 (DN 8.)  
23

24 The University's Motion for Summary Judgment was brought  
25 upon four independent grounds: (1) that state sovereign immunity  
26

<sup>2</sup>/<sub>2</sub> "DN" means document number from the Docket Sheet in BV  
Engineering v. UCLA, Case No. CV 86-4708-HLH.

1 barred the action; (2) that BVE's claims did not arise under  
2 federal copyright laws because the University's copying was  
3 authorized; (3) that BVE's copyrights were not infringed beca  
4 the University's conduct constituted a fair and permissible us  
5 and (4) that there was no basis in law or equity for any relie  
6 since BVE had not been damaged and the University had ceased t  
7 accused conduct. (DN 18.) The district court sustained the  
8 University's motion for summary judgment on the first stated  
9 ground based upon its interpretation of Atascadero State Hospit  
10 v. Scanlon (1985) 473 U.S. 234 [87 L.Ed.2d 171].  
11

12 While the University contends the state's sovereign  
13 immunity is a proper and sufficient basis for the district court  
14 ruling, it notes this court may affirm the decision "on any basis  
15 in the record" (Collins v. State of Alaska (9th Cir. 1987) 823  
16 F.2d 329, 331), "even if the ground is not relied on by the  
17 district court." (Charley's Taxi Radio Dispatch v. SIDA of  
18 Hawaii, supra, 810 F.2d 869, 874.) Thus, each of the independent  
19 grounds asserted in the University's motion for summary judgment  
20 below, may serve to support the district court's disposition of  
21 the matter. Nonetheless, the University's brief will only address  
22 the jurisdictional issue of state sovereign immunity, raised by  
23 BVE in its appeal and relied upon by the district court in its  
24 decision.  
25  
26



1  
2  
3 ARGUMENT

4 I. PRELIMINARY STATEMENT - FEDERALISM AND STATE SOVEREIGN  
5 IMMUNITY

6 In 1787, after only five years of "union" under the  
7 Articles of Confederation, the authors of the United States  
8 Constitution designed "the first federal republic in the histo  
9 of the world." <sup>3/</sup> Not a unitary nation, but a federal union o  
10 states where each state retains a measure of sovereignty.

11  
12 "A federal republic is thus seen to involve a pluralit  
13 of sovereignties: on the one hand, the sovereignty of one  
14 national or federal government, and on the other hand, the  
15 sovereignty of each of the several federated states, be it  
16 thirteen as it was in 1787 or fifty as it is in 1987."<sup>4/</sup>

17  
18 The University's immunity claim questions the nature of such  
19 sovereignty at the interface of our national and state  
20 relationship.

21  
22 In the past two years, the United States Supreme Court  
23 examined state sovereign immunity on four separate occasions.

24 (Atascadero State Hospital v. Scanlon, supra, 473 U.S. 234 [87

25 <sup>3/</sup> Adler, We Hold These Truths (1987) p. 13 (herein "Adler").  
26 <sup>4/</sup> Adler at p. 14.

1 L.Ed.2d 171]; Green v. Mansour (1985) 474 U.S. 64 [38 L.Ed.2d  
2 371]; Papasan v. Allain (1986) 478 U.S. \_\_\_\_ [92 L.Ed.2d 209]  
3 Welch v. Dept. of Highways & Public Transp. (1987) 483 U.S. \_\_\_\_  
4 [97 L.Ed.2d 389].) In each case, the state sovereign immunity  
5 issue was decided on a five to four vote. Pointing to the sam  
6 historical data, the majority and dissent express diametrically  
7 opposing views exemplified by Atascadero, where Justice Powell  
8 states for the majority:  
9

10 "As we have recognized, the significance of this [Eleventh  
11 Amendment 'lies in its affirmation that the fundamental  
12 principle of sovereign immunity limits the grant of judicia  
13 authority in Art III' of the Constitution." (Atascadero,  
14 supra, at 238);  
15

16 while Justice Brennan states for the dissent:  
17

18 "There simply is no constitutional principle of state  
19 sovereign immunity, and no constitutionally mandated policy  
20 of excluding suits against States from federal court."  
21 (Atascadero, supra, at 259.)  
22

23 The dissent vigorously repeats its request the court reexamine  
24 state sovereign immunity and reverse Hans v. Louisiana (1890) 134  
25 U.S. 1 [33 L.Ed. 842] (unanimous decision applying sovereign  
26 immunity to a suit against a state brought by its own citizen).

1 The dissent would limit state immunity to "diversity" jurisdi  
2 (suits against states brought by citizens of another or foreig  
3 state on a state law matter), upon the premise that the Elever  
4 Amendment is the sole source of immunity and should be narrowl  
5 construed. The majority, with equal vigor, consistently recog  
6 "the vital role of the doctrine of sovereign immunity in our  
7 federal system" (Pennhurst State School & Hosp. v. Halderman  
8 (1984) 465 U.S. 89, 99 [79 L.Ed.2d 67], quoted in Atascadero, 4  
9 U.S. at 242, and in Welch, 97 L.Ed.2d at 397), refusing to  
10 overrule Hans or its prodigy.  
11

12 Supreme Court jurisprudence on state sovereign immunit  
13 teaches: that it applies to suits against the state by its own  
14 citizens (Welch, 97 L.Ed.2d at 409, fn. 27; Hans, supra); that i  
15 applies to federal question subject matter jurisdiction (Welch,  
16 L.Ed.2d at 409, fn. 27; Pennhurst, 465 U.S. at 119, fn. 30); that  
17 it does not preclude a citizen's suit to prospectively enjoin  
18 unconstitutional action of a state official (Ex Parte Young (1908  
19 209 U.S. 123 [52 L.Ed. 714]; Pennhurst, supra; Mansour, supra);  
20 that it may be waived by the state (Clark v. Barnard (1883) 108  
21 U.S. 436 [27 L.Ed. 780]) so long as the state expressly consents  
22 to suit in "federal court" (Atascadero, 473 U.S. at 241); and,  
23 that it may be abrogated by Congress under its Fourteenth  
24 Amendment enforcement authority (Fitzpatrick v. Bitzer (1976) 427  
25 U.S. 445, 456 [49 L.Ed.2d 614]) if Congress expresses its  
26 intention to abrogate state immunity in "unmistakable language in

1 the statute itself." (Atascadero, 473 U.S. at 243, Welch, 97  
2 L.Ed.2d at 397.) What remains uncertain in that jurisprudence  
3 whether Congress may abrogate sovereign immunity in the exercise  
4 of its article I constitutional authority (see Welch, 97 L.Ed.  
5 at 397, fn. 5, and 399, fn. 8 (court reserved judgment on the  
6 issue); and Oneida v. Oneida Indian Nation (1985) 470 U.S. 226  
7 252 [84 L.Ed.2d 169] (similar reservation of judgment); and  
8 whether Congress may condition a state's participation in a  
9 federal benefit program on the state's waiver of immunity by  
10 "constructive consent."<sup>5/</sup>  
11

12 <sup>5/</sup> In Parden v. Terminal Railway of Alabama (1964) 377 U.S. 18  
13 [12 L.Ed.2d 233] the Supreme Court, for the first (and only  
14 time, held a state's conduct in a federally regulated  
15 activity "constructively waived" its state sovereign immunity.  
16 Some opinions of this Court suggest Congress may expressly  
17 subjecting itself to federal court private citizen suits.  
18 condition state conduct upon a constructive waiver of  
19 immunity (see, Doe by Gonzales v. Maher (9th Cir. 1986) 793  
20 F.2d 1470, 1494; Collins v. State of Alaska, supra, 823 F.2d  
21 329, 331-332 (viewing it as an alternative means of  
22 "consent"); and, Charley's Taxi Radio Dispatch v. SIDA of  
23 Hawaii, supra, 810 F.2d 869, 873 (viewed as a congressional  
24 condition)); however, the Supreme Court has steadily  
25 withdrawn support for "constructive waiver," viewing those  
26 circumstances under either the stringent test of consent  
(Edelman v. Jordan (1974) 415 U.S. 651, 673 [39 L.Ed.2d 662]  
"Constructive consent is not a doctrine commonly associated  
with the surrender of constitutional rights, and we see no  
place for it here.") quoted in Welch, 97 L.Ed.2d at 396), or  
as a matter of congressional authority to abrogate state  
immunity (see Welch, 97 L.Ed.2d at 399, fn. 8, referring to  
Parden's constructive waiver as a holding "that Congress has  
the power to abrogate the States' eleventh Amendment immunity  
under the Commerce Clause"). The University submits that  
state sovereign immunity is subject to only two exceptions:  
express consent of the states, and Congressional abrogation  
under constitutional authority. This court has tacitly  
recognized those limited exceptions when it described state  
sovereign immunity as both an "immunity for states" and a  
"jurisdictional limitation on federal courts." (Charley's

1  
2  
3 In this appeal, BVE and amici, question the district  
4 court's finding of state immunity from a private citizen copy-  
5 infringement monetary damage suit. That challenge asks: first,  
6 whether the state consented to federal jurisdiction; second,  
7 whether Article I provides congressional authority to abrogate  
8 state immunity; and third, whether the 1976 Copyright Act  
9 adequately expresses an unmistakable congressional intent to  
10 abrogate.

11  
12 II. CALIFORNIA HAS NOT CONSENTED TO FEDERAL JURISDICTION OR  
13 WAIVED ITS SOVEREIGN IMMUNITY

14 In support of BVE, amicus argues the State of California  
15 has waived its sovereign immunity. Amicus cites Muskopf v.  
16 Corning Hospital Dist. (1961) 55 Cal.2d 211 and Government Code  
17 section 945. In addition, amicus cites other California statutes  
18 and activity (permitting state payment of copyright royalties and  
19 state ownership of copyrights) as well as legal opinions of the  
20

21 Taxi, supra, 810 F.2d at 873, fn. 2.) Congressional  
22 abrogation is directed to its judicial bar nature, while  
23 consent goes to its personal immunity aspect. Together they  
24 manifest the principle of our federation: dual sovereignty  
25 and federal supremacy. Parden's "constructive waiver"  
26 explored the space between those two exceptions and was only  
a momentary departure from the otherwise consistent Supreme  
Court's jurisprudence. In this case, the distinction seems  
to make no real difference in the arguments tendered by BVE  
or amici. Accordingly, the University's analysis views the  
exceptions to state sovereign immunity as either express  
consent or congressional abrogation.

1 state's Attorney General, to support a conclusion that Calif  
2 intended to waive its sovereign immunity to private copyright  
3 infringement suits including, as here, statutory damages. Am  
4 argument however fails to meet the "stringent" test repeatedly  
5 confirmed by the Supreme Court.  
6

7  
8 In Pennhurst State School & Hosp. v. Halderman, supra  
9 465 U.S. 89, 99 [79 L.Ed.2d 67] ("Pennhurst II"), the Court held  
10

11 "A State's constitutional interest in immunity encompasses  
12 not merely whether it may be sued, but where it may be sued  
13

14 (Quoted in Atascadero, 473 U.S. at 241, and in Welch, 97 L.Ed.2d  
15 at 396.) The rationale for the Pennhurst II holding was the  
16 "problems of federalism inherent in making one sovereign appear  
17 against its will in the courts of the other" (quoting Justice  
18 Marshall's concurring opinion in Employees v. Missouri Public  
19 Health Dept. (1973) 411 U.S. 279, 294 [36 L.Ed.2d 251]).

20 Accordingly, the court established a "stringent" test for state  
21 waiver of sovereign immunity, requiring any statutory or  
22 constitutional waiver specify "the State's intention to subject  
23 itself to suit in federal court." (Atascadero, supra, 473 U.S. at  
24 241, emphasis in original; see also, Doe by Gonzales, supra, 793  
25 F.2d at 1493) and Charley's Taxi, supra, 810 F.2d at 873.)  
26 Waiving sovereign immunity in its state courts, or recognizing the  
supremacy of federal substantive law, simply does not satisfy the

1 stringent test requirement for consent to federal jurisdiction  
2 waiver of sovereign immunity in federal court.  
3

4  
5 III. STATE SOVEREIGN IMMUNITY LIMITS FEDERAL JUDICIAL POWER UNDER  
6 ARTICLE III PRECLUDING CONGRESSIONAL ABROGATION UNDER  
7 ARTICLE I

8 The Supreme Court has not ruled on whether article I  
9 authority is sufficient to permit congressional abrogation of  
10 state sovereign immunity. In Welch the Court assumed "without  
11 deciding or intimating a view of the question," that Congress'  
12 authority to abrogate is not limited to the Fourteenth Amendment  
13 (97 L.Ed.2d at 397, fn. 5, and 399, fn. 8). BVE and amici contend  
14 congressional article I authority is sufficient to abrogate the  
15 state's "presumed" sovereign immunity. Such a notion is tendered  
16 upon three theories: (1) that the grant of specific  
17 constitutional authority under article I "contains inherent  
18 limitations on state sovereignty" (Mills Music, Inc. v. State of  
19 Ariz. (9th Cir. 1979) 591 F.2d 1278); (2) that state sovereign  
20 immunity is limited to the Eleventh Amendment and thereby only  
21 precludes "diversity jurisdiction" or only limits judicial  
22 construction (Matter of McVey Trucking, Inc. (7th Cir. 1987) 812  
23 F.2d 311; U.S. v. Union Gas Co. (3rd Cir. Nov. 3, 1987) Case No.  
24 85-1177, slip opinion ("Union Oil No. II")); or (3) that  
25 abrogation is necessary to vindicate federal supremacy. However,  
26 the first two rationales are inconsistent with the Supreme Court's  
federalism jurisprudence and the third rationale goes too far.

1  
2  
3 A. State Sovereign Immunity and the Eleventh Amendment  
4

5 The Eleventh Amendment provides:  
6

7 "The judicial power of the United States shall not be  
8 construed to extend to any suit in law or equity, commence  
9 or prosecuted against one of the United States by citizens  
10 another state, or by citizens or subjects of any foreign  
11 state."

12 The notion that it is limited to diversity subject matter  
13 jurisdiction rests upon its concluding language that appears to  
14 parallel the specific grant contained in section 2 of the  
15 Constitution, Article III (extending federal judicial power to  
16 controversies "between a State and citizens of another state") an  
17 upon the application of that diversity jurisdiction in Chisholm v.  
18 Georgia (1793) 2 U.S. (2 Dall.) 419 [1 L.Ed. 440]. However,  
19 literally the Eleventh Amendment is a contextual negation of  
20 "judicial power" that would logically apply to each of the  
21 disjunctive positive grants of authority listed in section 2 of  
22 article III. The amendment's opening language refers broadly to  
23 "judicial power" and parallels the opening contextual language of  
24 section 2; however, it operates as a specific preclusion when  
25 "construing" "judicial power" in "any suit in law or equity."  
26 While section 2 of article III provides alternative, disjunctive



1 grants of judicial authority (each being independent and  
2 sufficient), they are each limited by the specific contextual  
3 negation of the Eleventh Amendment. Thus:  
4

5 [A or B] but not C = [A but not C] or [B but not C]  
6

7 The Eleventh Amendment operates to remove a portion of each  
8 alternative, disjunctive grant, to preclude private citizen  
9 actions against unconsenting states in each instance, where  
10 otherwise permitted under article III - under "diversity" or  
11 "federal question" jurisdiction. That is the current  
12 interpretation of the Supreme Court's majority. (See Welch, 97  
13 L.Ed.2d at 404, fn. 17 and accompanying text.)  
14

15 Moreover, the court's interpretation of state sovereign  
16 immunity is not limited to the Eleventh Amendment. Indeed, the  
17 Court views the Eleventh Amendment as merely an "exemplification"  
18 of state sovereign immunity. (Welch, 97 L.Ed.2d at 400-401,  
19 quoting Justice Marshall's separate opinion in Employees v.  
20 Missouri Public Health Dept., supra, 411 U.S. 279, 291-292 [36  
21 L.Ed.2d 251]; and Atascadero, 473 U.S. 240, quoting In the Matter  
22 of the State of New York (1921) 256 U.S. 490, 497 [65 L.Ed. 1057]  
23 ("that the entire judicial power granted by the Constitution does  
24 not embrace authority to entertain a suit brought by private  
25 parties against a state, without consent given").) Thus, the  
26 Court has consistently upheld state sovereign immunity as a

1 fundamental principle of our constitutional federation, in al  
2 suits brought by private citizens against its own or other sta  
3 (Hans v. State of Louisiana (1890) 134 U.S. 1 [33 L.Ed. 842]  
4 (unanimous decision applying state sovereign immunity to suits  
5 against states brought by its own citizens), and Monaco v.  
6 Mississippi (1934) 292 U.S. 313 [78 L.Ed. 1282] (summarizing th  
7 court's state sovereign immunity jurisprudence) (both discussed  
8 Welch, 97 L.Ed.2d at 405).) As the court stated in Atascadero:  
9

10 "We believe, however, that our Eleventh Amendment doctrine  
11 necessary to support the view of the federal system held by  
12 the Framers of the Constitution. . . . The Framers believed  
13 that the States played a vital role in our system and that  
14 strong state governments were essential to serve as a  
15 'counterpoise' to the power of the Federal Government. . . .  
16 The Constitution never would have been ratified if the  
17 States and their courts were to be stripped of their  
18 sovereign authority except as expressly provided by the  
19 Constitution itself.  
20

21 The principle that the jurisdiction of the federal  
22 courts is limited by the sovereign immunity of the States  
23 'is, without question, a reflection of concern for the  
24 sovereignty of the States.'" (Atascadero, 437 U.S. 238-239,  
25 fn. 2, quoting Justice Marshall's concurring opinion in  
26

1 Employees v. Missouri Dept. of Public Health and Welfare,  
2 U.S. at 293.)  
3

4  
5 B. McVey and Union Oil II are Inconsistent With the  
6 Supreme Court's Federalism Jurisprudence  
7

8 The Seventh Circuit decision Matter of McVey Trucking  
9 Inc., supra, 812 F.2d 311, and Third Circuit decision United  
10 States v. Union Gas Company (3rd Cir. Nov. 3, 1987) Case No. 85-  
11 1177, slip opinion, offer the rationale of Justice Brennan's  
12 repeated dissent to suggest state sovereign immunity is limited  
13 the Eleventh Amendment and "diversity" jurisdiction. Union Gas  
14 also suggests the "construed" language of the Eleventh Amendment  
15 only limits judicial interpretation but does not preclude  
16 congressional award of jurisdiction under article I. Moreover,  
17 they suggest state sovereign immunity is merely a presumption  
18 defeasible by specific congressional statutory expression of  
19 abrogation. They find no distinction between Congress' Fourteenth  
20 Amendment and article I authorities; yet, they offer a gradient of  
21 presumption, giving a stronger presumption (requiring more  
22 specific statutory expression) to article I enactments than to  
23 statutes under the Fourteenth Amendment.  
24

25 The McVey-Union Oil II rationale, on its face, conflicts  
26 with the Supreme Court's repeated rejection of Justice Brennan's  
dissenting opinions. Further, interpreting the "construed"

1 language of the Eleventh Amendment has a judicial but not  
2 congressional limitation is inconsistent with Justice Brennan's  
3 interpretation that "construed" was meant either to include  
4 federal question jurisdiction (between non-citizens or aliens  
5 suing a state), or to make the Eleventh Amendment retrospective  
6 applicable to pending court cases. (Atascadero, 473 U.S. 287-2  
7 dissent by Justice Brennan.) Moreover, such an interpretation  
8 would produce the preposterous possibility that by statute  
9 Congress could provide for diversity citizen suits against  
10 unconsenting states for state law matters, exactly like that  
11 brought in Chisholm. Finally, since a court's initial duty is to  
12 "construe" its jurisdictional power, if the amendment precludes  
13 judicial construction, what difference does it make what Congress  
14 has said, for Congress cannot expand constitutionally limited  
15 judicial power. (Marbury v. Madison (1803) 1 Cranch 136, 177 [2  
16 L.Ed.60].)

17  
18  
19 The McVey-Union Oil II failure to distinguish  
20 congressional Fourteenth Amendment and article I authorities, is  
21 inconsistent with the Supreme Court's suggestion that Congress'  
22 power to abrogate state sovereign immunity under the enforcement  
23 provisions of the Fourteenth Amendment is "constitutionally  
24 impermissible in other contexts." (Atascadero, 473 U.S. at 243  
25 quoting Fitzpatrick v. Bitzer, supra, 427 U.S. 445, 456 [49  
26 L.Ed.2d 614].) The Third Circuit reasonably rejects a strict  
time-line chronological constitutional analysis; however, it

1 throws the baby out with the bath water when it fails to review  
2 any historical context. The fundamental distinction between the  
3 Eleventh and Civil War Amendments is the obvious opposite  
4 direction and intended purpose of each. The former sought to  
5 limit federal jurisdiction over the state while the latter has  
6 been found to expand it. As Atascadero attests:

8 "The 'constitutionally mandated balance of power' between the  
9 States and the Federal Government was adopted by the Framers  
10 to ensure the protection of 'our fundamental liberties.'  
11 . . . .

13 "Congress' power to abrogate a State's immunity means  
14 that in certain circumstances the usual constitutional  
15 balance between the States and the Federal Government does  
16 not obtain. . . ." (Atascadero, 473 U.S. 242, emphasis  
17 added.)  
18

19 The McVey-Union Oil II rationale makes the exception the rule; by  
20 broadly permitting abrogation under congressional article I  
21 authority, the "usual constitutional balance" would no longer  
22 obtain. By denying the distinction of the Civil War amendments,  
23 McVey-Union Oil II eliminates our principle of dual sovereignty,  
24 leaving federal supremacy without check or balance.  
25  
26

1 The Third Circuit suggests, "The presumption of immu  
2 and the high threshold for its rebuttal animate the notion of  
3 sovereignty that underlies the Eleventh Amendment." But  
4 sovereignty is not simply a matter of gesture, a deference to  
5 clarity, it is a real limitation upon the federal government to  
6 award compensatory damages from the state's treasury, or it is  
7 nothing. It is a commitment of the federal government to the  
8 fiscal integrity and self-determination of the sovereign state,  
9 just as sure as (and as a corollary) the state is commitment to  
10 the supremacy of the federal sovereign's substantive law. Th  
11 common commitment forms the bond between the two that allows a  
12 dual sovereign system of government. Federal substantive law  
13 enacted under article I authority, mandates prospective state  
14 conduct. However, (as demonstrated below) the principle of  
15 federal supremacy does not necessitate abrogation of state  
16 sovereign immunity from private monetary damage claims. Such  
17 abrogation under article I, in effect, subordinates the state fro  
18 sovereign to subject, and moves our federal union towards a  
19 unitary nation. Such a move is inconsistent with the fundamental  
20 principle of mutual sovereignty of our federal republic; which  
21 principle, in turn, rests upon our faith in the rule of reason to  
22 govern our pluralistic society. No matter how compelling the  
23 momentary national wisdom may be, it does not justify a breach of  
24 faith, or the intolerance a breach reflects.  
25  
26

1 The Third Circuit in Union Oil II demonstrates the  
2 natural consequence of its logic when it retroactively applies  
3 statutory enactment to abrogate sovereign immunity. By that  
4 standard, state constitutional sovereign immunity simply does not  
5 exist. (See Edelman v. Jordan, supra, 415 U.S. 651 [39 L.Ed.2d  
6 662] (refusing retroactive relief because, to do so would  
7 eliminate the State's constitutional immunity).)

8  
9 C. Abrogation is Unnecessary to Assure Supremacy of Federal  
10 Substantive Law

11  
12 BVE and amici raise our common commitment to supremacy  
13 of federal substantive law to infer that state sovereign immunity  
14 is necessarily limited by the plenary substantive authority of  
15 article I. The argument goes too far for a sovereign substantive  
16 enactment does not imply waiver of sovereign immunity; indeed,  
17 sovereign immunity is presumed unless expressly waived. Federal  
18 supremacy assures our irrevocable commitment to federal  
19 substantive authority. Its vindication simply does not require  
20 abrogation of sovereign immunity. The doctrine established in Ex  
21 Parte Young, supra, 209 U.S. 123 [52 L.Ed. 714], permitting  
22 private citizen suits to challenge the constitutionality of  
23 conduct by a state official provides a necessary and sufficient  
24 balance between federal supremacy and state sovereign immunity.  
25  
26

1  
2 As stated by the Supreme Court in Green v. Mansour  
3 (1985) 474 U.S. 64 [88 L.Ed.2d 371, 377]:  
4

5 "Both prospective and retrospective relief implicate  
6 Eleventh Amendment concerns, but the availability of  
7 prospective relief of the sort awarded in Ex parte Young  
8 gives life to the Supremacy Clause. Remedies designed to  
9 a continuing violation of federal law are necessary to  
10 vindicate the federal interest in assuring the supremacy of  
11 that law. (Citations omitted.) But compensatory or  
12 deterrence interests are insufficient to overcome the  
13 dictates of the Eleventh Amendment."  
14

15 That interpretation has been adopted by this court. (Price v.  
16 State of Hawaii (9th Cir. 1985) 764 F.2d 623, 629; Almond Hill  
17 School v. U.S. Dept. of Agriculture (9th Cir. 1985) 768 F.2d 1030  
18 1033-1034.)  
19

20 In Welch, the majority opinion rejects the dissent's  
21 claim that sovereign immunity is "pernicious" in leaving private  
22 citizens without redress:  
23

24 "Relief often may be obtained through suits against  
25 state officials rather than the State itself, or through  
26 injunctive or other prospective remedies. . . . That States  
are not liable in other circumstances is a necessary



1 consequence of their role in a system of dual sovereignties  
2 . . ." (Welch, supra, at 406.)  
3

4 The argument that state sovereign immunity provides no redress  
5 private citizen copyright owners fails to acknowledge the  
6 availability of injunctive relief. Notably, that injunctive  
7 relief is not available against the federal sovereignty. (28  
8 U.S.C. 1498.) Thus, reflecting our federal republic commitments  
9 federal sovereign conduct cannot be enjoined, but it may be  
10 subject to monetary damage claims; while state conduct may be  
11 prospectively enjoined, but is not subject to the claims of  
12 damage.  
13

14 When state sovereign immunity limits federal judicial  
15 power under article III, precluding congressional abrogation under  
16 article I, the federal republic promises of dual sovereignty and  
17 federal supremacy are both kept.  
18

19 IV. THE 1976 COPYRIGHT ACT DOES NOT FULFILL THE ATASCADERO-WELCH  
20 TEST FOR CONGRESSIONAL ABROGATION OF STATE SOVEREIGN IMMUNITY  
21

22 In Mills Music, Inc. v. State of Ariz., supra, 591 F.2d  
23 1278, this court relied upon Parden v. Terminal R. of Alabama  
24 Docks Dept., supra, 377 U.S. 184 [12 L.Ed.2d 233], for its  
25 analysis of congressional abrogation and constructive state waiver  
26 of sovereign immunity. In Mills Music, congressional intent was

1 implied by the nature of congressional authority and the scope  
2 the statutorily defined class of defendants. Under the Mills  
3 Music rationale, the court distinguished between "expansive  
4 constitutional grants of authority such as the commerce clause,  
5 and specific grants such as the copyright clause, and weighed "  
6 consequent burden on state treasuries" in determining  
7 congressional intent to include states within the general class  
8 defendants permitted by the statute.  
9

10 Relying upon Atascadero, supra, the district court bel  
11 concluded Mills Music was no longer controlling. Subsequent to  
12 the district court's decision, the Supreme Court issued its Welc  
13 decision, where it stated:  
14

15 "Although our later decisions do not expressly  
16 overrule Parden, they leave no doubt that Parden's  
17 discussion of congressional intent to negate Eleventh  
18 Amendment immunity is no longer good law. . . .  
19 Accordingly, to the extent that Parden v. Terminal  
20 Railway, supra, is inconsistent with the requirement  
21 that an abrogation of Eleventh Amendment immunity by  
22 Congress must be expressed in unmistakably clear  
23 language, it is overruled." (Welch, supra, at 399.)  
24

25 Nonetheless, BVE and amici contend the Atascadero-Welch test of  
26

1 unmistakable statutory expression is not applicable to a  
2 congressional enactment under a plenary article I authority.  
3

4 BVE tenders an alternative analysis that parallels th  
5 Mills Music rationale suggesting a "less specific showing" of  
6 congressional intent applies to article I specified authority.  
7 However, its analysis offers no constitutional principle, or oth  
8 rationale, bridging the suggested distinction between sources of  
9 congressional authority and the purposes of legislative  
10 specificity mandated by the Supreme Court. Indeed, BVE's propos  
11 is contrary to the conclusion of the Third Circuit in Union Oil  
12 II, supra, where the court concluded that greater specificity  
13 should be required of an article I enactment, compared to a  
14 Fourteenth Amendment enactment.  
15

16 As an alternative, BVE and amici suggest the 1976  
17 Copyright Act meets the Atascadero-Welch test and unmistakably  
18 expresses congressional intent to abrogate state sovereign  
19 immunity. Their conclusion relies principally upon two arguments  
20 first, that the language of sections 602(a)(1) and former  
21 601(b)(3) (referring to the "United States" and "states") as well  
22 as sections 110(2), (6), (8), 111(a)(4), 112(b), (c), (d), and  
23 118(d)(3) (excluding certain conduct of "governmental bodies" from  
24 a claim of infringement) infer a congressional intent to subject  
25 sovereign states to infringement actions under section 501(a)  
26 (which provides, "Anyone who violates any of the exclusive rights

1 of a copyright owner . . . is an infringer of the copyright");  
2 second, that the statutory scheme including federal preemption  
3 state substantive law, exclusive federal court jurisdiction and  
4 partial waiver of federal immunity, further infers congressional  
5 intent to abrogate state sovereign immunity.  
6

7  
8 BVE's arguments are unconvincing and fail to meet the  
9 Atascadero-Welch standard. The cited statutory provisions do not  
10 unequivocally express an intention to abrogate state immunity.  
11 While they preclude a finding of infringement against  
12 "governmental bodies" in specific circumstances, they may merely  
13 reflect an exception for cities, municipalities, or other public  
14 institutions which do not enjoy state immunity. Alternately, the  
15 may infer an intent to preclude injunctive relief against state  
16 officials, recognizing the supremacy of federal substantive law  
17 and its mandate upon the conduct of state officials, without an  
18 intention to abrogate immunity generally. Additionally, BVE's  
19 argument implies abrogation of the United States immunity, beyond  
20 the limited waiver expressed in 28 United States Code section 1498  
21 (precluding injunction and limiting monetary relief to where the  
22 agency or department has been given authority to settle or  
23 compromise the damage claim). Indeed, such a specified federal  
24 immunity statutory waiver implies the absence of intent to  
25 abrogate state immunity. (United States v. Union Gas Co. (3rd  
26 Cir. 1986) 792 F.2d 372.) Statutory inference that states might  
be sued, found in provisions separate from those creating the

1 cause of action is generally insufficient to demonstrate  
2 congressional intent to abrogate state sovereign immunity.  
3 (Employees v. Missouri Public Health Dept., supra, 411 U.S. 279  
4 [36 L.Ed.2d 251].)

5  
6 The statutory scheme provides no greater clarity to the  
7 question of sovereign immunity abrogation. Prior to the 1976  
8 Copyright Act, under the 1909 Copyright Act, a bifurcated  
9 copyright substantive law system existed. The 1976 Copyright Act  
10 sought to unify substantive copyright law and exclude state  
11 substantive copyright law. But that, in itself, does not reflect  
12 a congressional intent to abrogate the state's constitutionally  
13 protected immunity. The state's ability to establish substantive  
14 copyright law is not at issue. Even when the state did enact  
15 substantive copyright law (as an adjunct to the federal 1909  
16 Copyright Act) it did not thereby waive its sovereign immunity.  
17 BVE's argument fails to distinguish federal preemption of  
18 substantive law and abrogation of the state's constitutionally  
19 protected sovereign immunity. (Woelfer v. Happy States of  
20 America, Inc. (N.D.Ill. 1985) (held Atascadero overruled Mills  
21 Music and concluded that the 1976 Copyright Act did not abrogate  
22 state sovereign immunity).)

1 V. CONCLUSION

2  
3 In his dissent, Justice Brennan suggests state sovereign  
4 immunity "lacks a textural anchor, a firm historical foundation,  
5 or a clear rationale." (Atascadero 473 U.S. at 257, Justice  
6 Brennan dissent.) The University respectfully suggests: a  
7 "textural anchor" is contained in the Constitution's Preamble  
8 where the first stated objective is "to form a more perfect union  
9 (union between sovereign states), 6/ the "historical foundation"  
10 is the short five-year experience under the Articles of  
11 Confederation; and the "rationale" is the two hundred year  
12 experimental commitment to the rule of reason for governing the  
13 affairs of sovereign states in their first federal union. That  
14 commitment to a pluralistic society of sovereign states governed  
15 by the rule of reason, assures the rule's application to its  
16 diverse populace of individuals.

17  
18 The question is not what a pedantic analysis shows  
19 about the historical evolution of intra-sovereign immunity;  
20 rather, assume immunity hadn't existed, what then would have been  
21 the structure of the compact designed two hundred years ago? A  
22 federal republic of dual sovereignties committed to inter-  
23 sovereign immunity and federal supremacy, or a unitary nation of  
24 subordinate states? The University contends we are a federal

25  
26 6/ Adler, at 13.

1 union, and respectfully submits the district court correctly  
2 concluded it lacked jurisdiction, in that the University is imm  
3 from BVE's copyright infringement monetary damage claim.  
4

5 Dated: December 23, 1987  
6

7 Respectfully submitted,  
8

9 JAMES E. HOLST  
10 GEORGE L. MARCHAND  
11 ALLEN B. WAGNER

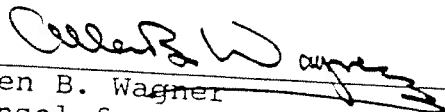
12 By Allen B. Wagner  
13 Allen B. Wagner

14 Attorneys for The Regents of the  
15 University of California  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

STATEMENT OF RELATED CASES

The undersigned, counsel of record for  
defendant/appellee The Regents of the University of California,  
unaware of any case that is deemed related pursuant to Circuit  
Rule 28-2.6.

  
Allen B. Wagner  
Counsel for Defendant/Appellee  
The Regents of the University of  
California



DECLARATION OF SERVICE BY MAIL  
(Code Civ. Proc., §§ 1013a, 2015.5)

I, the undersigned, say: I am a citizen of the United States, over 18 years of age, employed in Alameda County, California, in which county the within-mentioned mailing occurred and not a party to the subject cause. My business address is 590 University Hall, Berkeley, California 94720. I served the attached:

Brief for Defendant/Appellee University of California, Los Angeles (The Regent of the University of California)

by placing a copy thereof in a separate envelope for each addressee named hereafter, addressed to each such addressee respectively as follows:

see attached service list

Each envelope was then sealed and, with the postage thereon fully prepaid, deposited in the United States mail by me at Berkeley, California, on December 23, 1987, 1987.

I declare under penalty of perjury that the foregoing is true and correct: December 23, 1987, Berkeley, California.

  
BARBARA L. HAGMEYER



BOX 1601

HARRISBURG

17105

Library Development Division  
March 22, 1988  
717-783-5737

Dorothy Schader, General Counsel  
Copyright Office  
Library of Congress  
Department 1000  
Washington, DC 20559

Comment Letter

RM 87-5

No. 44

GENERAL COUNSEL  
OF THE STATE

MAR 26 1988

RECEIVED

Dear Ms. Schader:

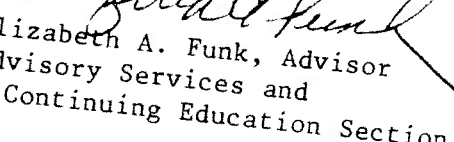
This is in response to your request for information relating to copyright and state agencies.

I contacted Mr. Clifford Parris, Chief of the Pennsylvania Department of Corrections' Activities Division. Mr. Parris stated that their legal counsel had indicated it was appropriate to pay a fee for public performance for the use of videotaped films which are rented to show to inmates in state prisons. Mr. Parrish currently has a statewide contract with Films, Inc. which includes a negotiated fee of \$2.18 per inmate. He indicated that even if he uses another distributor next year, he anticipates negotiating a similar agreement.

I was unable to find a central contact in the Pennsylvania Department of Public Welfare. I did speak with several librarians from both state mental hospitals and mental retardation centers. They indicated that their facilities have not been paying a fee for public performances since they have been verbally told that showing videotapes to their residents is a type of "home use." One librarian does have on file a letter dated June 3, 1985 from the sales manager of Clem Williams, a Pittsburgh based distributor, indicated the necessity for paying such a fee. The letter cites an injunction against the Wisconsin Department of Health and Social Services and the Wapum Correctional Institution.

I hope this information will be of assistance.

Sincerely,

  
Elizabeth A. Funk, Advisor  
Advisory Services and  
Continuing Education Section

EAF:rao

cc: Trish Skaptason

COMMONWEALTH OF PENNSYLVANIA

DEPARTMENT OF EDUCATION